

AMENDED IN SENATE JUNE 26, 2006

CALIFORNIA LEGISLATURE—2005–06 REGULAR SESSION

ASSEMBLY BILL

No. 1811

Introduced by ~~Committee on Budget (Laird (Chair), Arambula, Bermudez, Chan, Coto, De La Torre, Evans, Goldberg, Hancock, Montanez, Mullin, Nava, Parra, Pavley, and Wolk)~~ Assembly Member Laird

January 10, 2006

An act relating to the Budget Act of 2006 to amend and supplement the Budget Act of 2006 by amending Items 0250-001-0001, 0250-101-0932, 0250-111-0001, 0520-001-0001, 0520-001-0044, 0520-101-0001, 0690-102-0001, 2640-101-0046, 2660-001-0042, 3600-001-0001, 3790-001-0001, 3820-001-0001, 3860-001-0001, 3900-001-0044, 3940-001-0001, 3940-001-0193, 3940-001-3058, 3960-001-0001, 3960-001-0014, 3960-001-0557, 4120-001-0001, 4260-001-0001, 4260-111-0001, 4280-001-0001, 4280-102-0001, 5225-001-0001, 5225-101-0001, 6110-108-0001, 6110-113-0001, 6110-128-0001, 6110-137-0001, 6110-161-0001, 6110-182-0001, 6110-190-0001, 6110-195-0001, 6110-196-0001, 6110-204-0001, 6110-265-0001, 6110-295-0001, 6360-101-0001, 6440-001-0001, 6610-001-0001, 8885-295-0001, 8885-299-0001, 8955-001-0083, and 9210-101-0001 of, by adding Items 6110-260-0001, 6110-268-0001, and 9210-105-0001 to, and by repealing Items 4280-103-0001, 6110-141-0001, 6110-262-0001, and 9619-399-0001 of, Section 2.00 of, and by amending Section 35.50 of, that act, relating to the state budget, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

LEGISLATIVE COUNSEL'S DIGEST

AB 1811, as amended, ~~Committee on Budget~~ *Laird*. Budget Act of 2006.

AB 1801, as proposed by Conference Report No. 1 on June 12, 2006, would make appropriations for the support of state government for the 2006–07 fiscal year.

~~This bill would express the intent of the Legislature to enact statutory changes relating to amend and supplement the Budget Act of 2006 by revising items of appropriation for the judicial branch; the Secretary for Business, Transportation and Housing; the Office of Emergency Services; the Department of Transportation; the Department of Fish and Game; the San Francisco Bay Conservation and Development Commission; the Department of Water Resources; the State Water Resources Control Board; the State Department of Health Services; the Managed Risk Medical Insurance Board; the Department of Parks and Recreation; the State Air Resources Board; the Department of Toxic Substances Control; the Department of Corrections and Rehabilitation; the State Department of Education; the University of California; the California State University; the Department of Veterans Affairs; local government financing; the repayment of state-mandated local costs; and the Deficit Reduction Reserve Account.~~

This bill would become operative only if AB 1801, as proposed by Conference Report No. 1 on June 12, 2006, is enacted on or before January 1, 2007.

This bill would declare that it is to take effect immediately as an urgency statute.

Vote: ~~majority~~^{2/3}. Appropriation: ~~no~~ yes. Fiscal committee: ~~no~~ yes. State-mandated local program: no.

The people of the State of California do enact as follows:

1 ~~SECTION 1. It is the intent of the Legislature to enact~~
2 ~~statutory changes relating to the Budget Act of 2006.~~

3 *SECTION 1. Item 0250-001-0001 of Section 2.00 of the*
4 *Budget Act of 2006 is amended to read:*

5
6 0250-001-0001—For support of Judicial Branch..... 316,287,000
7 316,722,000

1	Schedule:	
2	(1) 10-Supreme Court.....	41,499,000
3		41,528,000
4	(2) 20-Courts of Appeal.....	181,042,000
5		181,448,000
6	(3) 30-Judicial Council.....	92,332,000
7	(4) 35-Judicial Branch Facility Program.....	2,094,000
8	(5) 50-Habeas Corpus Resource Center.....	12,842,000
9	(6) Reimbursements.....	-4,311,000
10	(7) Amount payable from the Motor Vehi-	
11	cle Account, State Transportation Fund	
12	(Item 0250-001-0044).....	-160,000
13	(8) Amount payable from the Court Inter-	
14	preters' Fund (Item 0250-001-0327).....	-155,000
15	(9) Amount payable from the Federal	
16	Trust Fund (Item 0250-001-0890).....	-3,046,000
17	(10) Amount payable from the Appellate	
18	Court Trust Fund (Item 0250-001-	
19	3060).....	-5,850,000
20	Provisions:	
21	1. Notwithstanding Section 26.00, the funds appropriat-	
22	ed or scheduled in this item may be allocated or real-	
23	located among categories by order of the Judicial	
24	Council.	
25	2. Of the funds appropriated in this item, \$200,000 is	
26	available for reimbursement to the Attorney General,	
27	or for hiring outside counsel, for prelitigation and liti-	
28	gation fees and costs, including any judgment, stipu-	
29	lated judgment, offer of judgment or settlement. This	
30	amount is for use in connection with (a) matters aris-	
31	ing from the actions of appellate courts, appellate	
32	court bench officers, or appellate court employees;	
33	(b) matters arising from the actions of the Judicial	
34	Council, council members or council employees or	
35	agents; (c) matters arising from the actions of the Ad-	
36	ministrative Office of the Courts or its employees; or	
37	(d) employment litigation arising from the actions of	
38	trial courts, trial court bench officers, or trial court	
39	employees. Either the state or the Judicial Council	
40	must be named as a defendant or alleged to be the re-	

sponsible party. Any funds not used for this purpose shall revert to the General Fund.

4. The funds appropriated by Schedule (5) shall be available for costs associated directly or indirectly with the California Habeas Corpus Resource Center (CHCRC). The CHCRC shall report to the Legislature and the Department of Finance on September 1, 2006, and April 1, 2007, on expenditures, specifically detailing personal services expenditures, and operating expenses and equipment expenditures.
5. Notwithstanding any other provision of law, upon approval and order of the Department of Finance, the amount appropriated in this item shall be reduced by the amount transferred in Item 0250-011-0001 to provide adequate resources to the Judicial Branch Workers' Compensation Fund to pay workers' compensation claims for judicial branch employees and justices, and administrative costs pursuant to Section 68114.10 of the Government Code.
6. Of the amount appropriated in this item, \$2,127,000 from the price increase for the court appointed counsel budget is to provide funding for up to a \$10 per hour increase in compensation at all three levels of appointed counsel.
7. Of the amount appropriated in this item, ~~\$435,000~~ \$870,000 shall be used to increase judicial salaries by ~~4.25~~ 8.5 percent effective January 1, 2007.

SEC. 2. Item 0250-101-0932 of Section 2.00 of the Budget Act of 2006 is amended to read:

0250-101-0932—For local assistance, Judicial Branch,	
payable from the Trial Court Trust Fund.....	2,793,277,000
	2,802,900,000

Schedule:

(1) 45.10-Support for Operation of the	
Trial Courts.....	2,420,001,000
	2,426,937,000

1	(2) 45.25-Compensation of Superior	
2	Court Judges.....	246,678,000
3		247,955,000
4	(3) 45.35-Assigned Judges.....	21,414,000
5		22,824,000
6	(4) 45.45-Court Interpreters.....	96,126,000
7	(5) 45.55.060-Court Appointed Special	
8	Advocate (CASA) Program.....	2,148,000
9	(6) 45.55.065-Model Self-Help Pro-	
10	gram.....	929,000
11	(7) 45.55.090-Equal Access Fund Pro-	
12	gram.....	5,199,000
13	(8) 45.55.095-Family Law Information	
14	Centers.....	336,000
15	(9) 45.55.100-Civil Case Coordination.....	446,000
16	Provisions:	
17	1. Notwithstanding Section 26.00, the funds appropriat-	
18	ed or scheduled in this item may be allocated or real-	
19	located among categories by the Judicial Council.	
20	2. The funds appropriated in Schedule (2) shall be made	
21	available for costs of the workers' compensation pro-	
22	gram for trial court judges.	
23	3. The amount appropriated in Schedule (3) shall be	
24	made available for all judicial assignments. Schedule	
25	(3) expenditures for necessary support staff may not	
26	exceed the staffing level that is necessary to support	
27	the equivalent of three judicial officers sitting on as-	
28	signments.	
29	4. The funds appropriated in Schedule (4) shall be for	
30	payments for services of contractual court inter-	
31	preters, and certified and registered court interpreters	
32	employed by the courts, and the following court inter-	
33	preter coordinators: 1.0 each in counties of the 1st	
34	through the 15th classes, 0.5 each in counties of the	
35	16th through the 31st classes, and 0.25 each in coun-	
36	ties of the 32nd through the 58th classes. For the pur-	
37	poses of this provision, "court interpreter coordina-	
38	tors" may be full- or part-time court employees, or	
39	those contracted by the court to perform these ser-	
40	vices.	

1 The Judicial Council shall set statewide or regional
2 rates and policies for payment of court interpreters,
3 not to exceed the rate paid to certified interpreters in
4 the federal court system. The Judicial Council shall
5 adopt appropriate rules and procedures for the admin-
6 istration of these funds. The Judicial Council shall re-
7 port to the Legislature and Director of Finance annu-
8 ally regarding expenditures from this schedule.

- 9 5. Upon order of the Director of Finance, the amount
10 available for expenditure in this item may be aug-
11 mented by the amount of any additional resources
12 available in the Trial Court Trust Fund, which is in
13 addition to the amount appropriated in this item. Any
14 augmentation shall be authorized no sooner than 30
15 days after notification in writing to the chairpersons
16 of the committees in each house of the Legislature
17 that consider appropriations, the chairperson of the
18 committee and appropriate subcommittees that con-
19 sider the State Budget and the Chairperson of the
20 Joint Legislative Budget Committee, or not sooner
21 than whatever lesser time the Chairperson of the
22 Joint Legislative Budget Committee or his or her de-
23 signee may determine.

- 24 6. Notwithstanding any other provision of law, upon ap-
25 proval and order of the Department of Finance, the
26 amount appropriated in this item shall be reduced by
27 the amount transferred in Item 0250-115-0932 to pro-
28 vide adequate resources to the Judicial Branch Work-
29 ers' Compensation Fund to pay workers' compensa-
30 tion claims for judicial branch employees and judges,
31 and administrative costs pursuant to Section
32 68114.10 of the Government Code.

- 33 7. Of the funds appropriated in Schedule (1), which will
34 be transferred to the Trial Court Improvement Fund
35 in accordance with subdivision (b) of Section 77209
36 of the Government Code, up to \$5,000,000 shall be
37 available for support of services for self-represented
38 litigants.

- 39 8. Upon approval by the Director of the Administrative
40 Office of the Courts, the Controller shall transfer up

1 to \$9,019,000 to Item 0250-001-0932 for recovery of
2 costs for administrative services provided to the trial
3 courts by the Administrative Office of the Courts.

4 8.5. Upon approval by the Director of the Administrative
5 Office of the Courts, and notification to the Depart-
6 ment of Finance, the chairpersons of the committees
7 in each house of the Legislature that consider appro-
8 priations and the State Budget, and the Chairperson
9 of the Joint Legislative Budget Committee, the Con-
10 troller shall additionally increase the amount of the
11 transfer by an amount or amounts no more than
12 \$901,000. Any augmentations shall be authorized no
13 sooner than 30 days after notification in writing to
14 the chairpersons of the committees in each house of
15 the Legislature that consider appropriations, the
16 chairpersons of the committees and appropriate sub-
17 committees that consider the State Budget, and the
18 Chairperson of the Joint Legislative Budget Commit-
19 tee, or not sooner than whatever lesser time the
20 Chairperson of the Joint Legislative Budget Commit-
21 tee or his or her designee may determine.

22 9. In order to improve equal access and the fair adminis-
23 tration of justice, the funds appropriated in Schedule
24 (7) are available for distribution by the Judicial
25 Council through the Legal Services Trust Fund Com-
26 mission to qualified legal services projects and sup-
27 port centers as defined in Sections 6213 to 6215, in-
28 clusive, of the Business and Professions Code, to be
29 used for legal services in civil matters for indigent
30 persons. The Judicial Council shall approve awards
31 made by the commission if the council determines
32 that the awards comply with statutory and other rele-
33 vant guidelines. Upon approval by the Director of the
34 Administrative Office of the Courts, the Controller
35 shall transfer up to 5 percent of the funding appropri-
36 ated in Schedule (7) to Item 0250-001-0932 for ad-
37 ministrative expenses. Ten percent of the funds re-
38 maining after administrative costs shall be for joint
39 projects of courts and legal services programs to
40 make legal assistance available to pro per litigants

1 and 90 percent of the funds remaining after adminis-
2 trative costs shall be distributed consistent with Sec-
3 tions 6216 to 6223, inclusive, of the Business and
4 Professions Code. The Judicial Council may estab-
5 lish additional reporting or quality control require-
6 ments consistent with Sections 6213 to 6223, inclu-
7 sive, of the Business and Professions Code.

- 8 10. Of the funds appropriated in this item, ~~\$2,725,000~~
9 ~~\$5,450,000~~ is provided for the costs of new judge-
10 ships and accompanying staff. Any funds not used
11 for this purpose shall revert to the General Fund. The
12 Judicial Council shall report to the Legislature on
13 January 1, 2008, and annually thereafter, until all
14 judgeships are appointed and new staff hired, on the
15 amount of funds allocated to each trial court to fund
16 the new portions.

- 17 11. Of the funds appropriated in Schedule (4),
18 \$10,000,000 is provided for services of court inter-
19 preters in civil actions and proceedings. In the event
20 that sufficient funds are not available for all cases, or
21 if, after diligent search, a sufficient number of inter-
22 preters is not available for all civil actions and pro-
23 ceedings, priority shall be given as follows, provided,
24 however, that this case priority shall not be construed
25 to negate or limit any right to an interpreter in a civil
26 action or proceeding otherwise provided by state or
27 federal law: (a) Parties appearing in forma pauperis
28 or whom the court otherwise determines are financial-
29 ly unable to pay the cost of an interpreter with priori-
30 ty given to actions and proceedings relating to domes-
31 tic violence, child custody, protective orders, unlaw-
32 ful detainer, elder and dependent abuse, guardians
33 and conservators, and family law; (b) Parties appear-
34 ing in propria persona with priority given to actions
35 and proceedings relating to domestic violence, child
36 custody, protective orders, unlawful detainer, elder
37 and dependent abuse, guardians and conservators,
38 and family law; and (c) actions and proceedings in
39 small claims court, notwithstanding Section 116.550

of the Code of Civil Procedure. Any unspent funds, shall revert to the General Fund.

12. Of the funds appropriated in this item, ~~\$6,898,000~~ \$13,796,000 shall be used to increase judicial salaries by ~~4.25~~ 8.5 percent effective January 1, 2007.

SEC. 3. Item 0250-111-0001 of Section 2.00 of the Budget Act of 2006 is amended to read:

0250-111-0001—For transfer by the Controller to the Trial Court Trust Fund.....	1,602,734,000
	1,612,357,000

SEC. 4. Item 0520-001-0001 of Section 2.00 of the Budget Act of 2006 is amended to read:

0520-001-0001—For support of Secretary of Business, Transportation and Housing, for payment to Item 0520-001-0044, payable from the General Fund.....	8,921,000
	11,421,000

Provisions:

1. Of the amount appropriated in this item, \$7,300,000 shall be available for use by the California Travel and Tourism Commission for use in promoting California tourism to potential visitors.
2. *Of the amount appropriated in this item, \$2,500,000 is allocated to administer the California Partnership for the San Joaquin Valley (Partnership). No funds shall be expended for this purpose until the Partnership adopts the Strategic Action Proposal and submits to the Joint Legislative Budget Committee, at least 30 days prior to expenditure, a report detailing the governance and organizational structure for the Partnership.*

SEC. 5. Item 0520-001-0044 of Section 2.00 of the Budget Act of 2006 is amended to read:

1	0520-001-0044—For support of Secretary for Business, Trans-	
2	portation and Housing, payable from the Motor Vehicle	
3	Account, State Transportation Fund.....	1,171,000
4	Schedule:	
5	(1) 10-Administration of Business, Trans-	
6	portation and Housing Agency.....	3,037,000
7	(2) 25-Infrastructure Finance and Econom-	
8	ic Development Program.....	13,859,000
9		16,359,000
10	(3) Reimbursements.....	-2,973,000
11	(4) Amount payable from the General	
12	Fund (Item 0520-001-0001).....	-8,921,000
13		-11,421,000
14	(5) Amount payable from the California	
15	Infrastructure and Economic Develop-	
16	ment Bank Fund (Item 0520-001-	
17	0649).....	-3,067,000
18	(6) Amount payable from the Small Busi-	
19	ness Expansion Fund (Item 0520-001-	
20	0918).....	-420,000
21	(7) Amount payable from the Welcome	
22	Center Fund (Item 0520-001-3083).....	-56,000
23	(8) Amount payable from the Film Promo-	
24	tion and Marketing Fund (Item 0520-	
25	001-3095).....	-10,000
26	(9) Amount payable from the Chrome Plat-	
27	ing Pollution Prevention Fund (Item	
28	0520-001-9329).....	-278,000
29	Provisions:	
30	1. Of the amount appropriated in Schedule (2), \$85,000	
31	is for reimbursement of the Department of Toxic	
32	Substances Control for expansion of the Model Shop	
33	Program pursuant to Chapter 2 (commencing with	
34	Section 42100) of Part 3 of Division 30 of the Public	
35	Resources Code.	

37 *SEC. 6. Item 0520-101-0001 of Section 2.00 of the Budget Act*
 38 *of 2006 is amended to read:*

0520-101-0001—For local assistance, Secretary of Business,
Transportation and Housing..... 0
2,500,000

Schedule:

- (1) 25-Infrastructure Finance and Econom-
ic Development Program..... 2,000,000
4,500,000
(2) Reimbursements..... - 2,000,000

Provisions:

1. *Of the amount appropriated in this item, \$2,500,000 is allocated to establish a competitive grant program to be administered by the California Partnership for the San Joaquin Valley (Partnership). No funds shall be expended for this purpose until the Partnership adopts the Strategic Action Proposal and submits to the Joint Legislative Budget Committee, at least 30 days prior to expenditure, a report detailing the governance and organizational structure for the Partnership.*

SEC. 7. Item 0690-102-0001 of Section 2.00 of the Budget Act of 2006 is amended to read:

0690-102-0001—For local assistance, Office of Emergency
Services..... 48,199,000
56,699,000

Schedule:

- (1.5) 50.20-Victim Services..... 9,317,000
(2.5) 50.30-Public Safety..... 44,453,000
52,953,000
(18) Reimbursements..... -5,571,000

Provisions:

1. Notwithstanding any other provision of law, the Office of Emergency Services may provide advance payment of up to 25 percent of grant funds awarded to community-based nonprofit organizations, cities, school districts, counties, and other units of local government that have demonstrated cashflow problems according to the criteria set forth by the Office of Emergency Services.

- 1 2. To maximize the use of program funds and demon-
2 strate the commitment of the grantees to program ob-
3 jectives, the Office of Emergency Services shall re-
4 quire all grantees of funds from the Gang Violence
5 Suppression-Curfew Enforcement Strategy Program
6 to provide local matching funds of at least 10 percent
7 for the first and each subsequent year of operation.
8 This match requirement applies to each agency that
9 is to receive grant funds. An agency may meet its
10 match requirements with an in-kind match, if ap-
11 proved by the Office of Emergency Services.
- 12 3. Of the amount appropriated in Schedule (2.5),
13 ~~\$300,000~~ \$800,000 shall be provided ~~to Monterey~~
14 ~~County for a planning grant for grants to counties,~~
15 consistent with the Central Coast Rural Crime Pre-
16 vention Program as established in Chapter 18 of the
17 Statutes of 2003. *The funds shall be distributed only*
18 *to counties for planning, or for implementation of the*
19 *program in those counties that have completed the*
20 *planning process, consistent with Chapter 18 of the*
21 *Statutes of 2003. In no case shall a grant exceed*
22 *\$300,000.*
- 23 4. The Department of Finance shall include a special
24 display table in the Governor's Budget under the Of-
25 fice of Emergency Services that displays, by fund
26 source, component level detail for Program 50, Crim-
27 inal Justice Projects. In addition, the Office of Emer-
28 gency Services, in consultation with the Department
29 of Finance, shall provide a report to the Joint Legisla-
30 tive Budget Committee by January 10 of each year
31 that provides a list of grantees, total funds awarded to
32 each grantee, and performance statistics to document
33 program outputs and outcomes in order to assess the
34 state's return on investment for each component of
35 Program 50 for each of the three years displayed in
36 the Governor's Budget.
- 37 6. Of the amount appropriated in this item, the Depart-
38 ment of Finance may authorize the transfer of up to 5
39 percent (up to \$995,000) of the augmentation for the
40 California Multijurisdictional Methamphetamine En-

forcement Teams Program to Item 0690-001-0001 for the purpose of conducting an independent evaluation of the program.

7. Of the funding appropriated in this item, \$29,400,000 is for local assistance to support the California Multi-jurisdictional Methamphetamine Enforcement Teams Program. \$19,900,000 of this funding is provided on a two-year, limited-term basis. No later than January 10, 2008, the Office of Emergency Services, in consultation with the Department of Finance, shall submit to the Joint Legislative Budget Committee a report that proposes a funding allocation plan that links grant funding to the size of the problem in each of the five state-designated regions. The report shall also include a summary of spending by region, program activities, and demonstrated outcomes such as lab seizures and arrests.

8. Of the amount appropriated in this item, \$400,000 shall be available for grants to any private nonprofit organizations that have previously received funding from the California Innocence Protection Program. Any entity receiving funding under this program shall provide detailed expenditure reports semiannually and annually on the use of funds provided under this program. The Office of Emergency Services shall prepare and submit a report to the Joint Legislative Budget Committee on or before June 30, 2007, on the foregoing information for each entity receiving funding under this program.

9. *Of the amount appropriated in Schedule (2.5), \$8,000,000 is in augmentation of the Vertical Prosecution Block Grants for a total program of \$16,176,000.*

SEC. 8. Item 2640-101-0046 of Section 2.00 of the Budget Act of 2006 is amended to read:

2640-101-0046—For local assistance, Special Transportation Programs, for allocation by the Controller pursuant to Section 99312 of the Public Utilities Code, payable from the Public Transportation Account, State Transportation Fund..... 580,815,000
629,815,000

Provisions:

1. Notwithstanding Sections 99313 and 99314 of the Public Utilities Code, not more than \$67,387 of the amount appropriated in this item shall reimburse the Controller for expenditures for administration of state transportation assistance funds.

SEC. 9. Item 2660-001-0042 of Section 2.00 of the Budget Act of 2006 is amended to read:

2660-001-0042—For support of Department of Transportation, payable from the State Highway Account, State Transportation Fund..... 2,322,131,000

Schedule:

(1) 10-Aeronautics.....	3,154,000
(2) 20.10-Highway Transportation—Capital Outlay Support.....	1,394,844,000
(3) 20.30-Highway Transportation—Local Assistance.....	35,779,000
(4) 20.40-Highway Transportation—Program Development.....	71,768,000
(5) 20.65-Highway Transportation—Legal.....	75,599,000
(6) 20.70-Highway Transportation—Operations.....	183,867,000
(7) 20.80-Highway Transportation—Maintenance.....	967,664,000
(8) 30-Mass Transportation.....	112,144,000
(9) 40-Transportation Planning.....	94,063,000
(10) 50.00-Administration.....	326,613,000
(11) 60.10-Equipment Service Program Costs.....	173,266,000
(11.5) 60.20-Distributed Equipment Service Program Costs.....	-173,266,000

1	(12) Reimbursements.....	-245,163,000
2	(13) Amount payable from the Aeronautics	
3	Account, State Transportation Fund	
4	(Item 2660-001-0041).....	-3,118,000
5	(14) Amount payable from the Bicycle	
6	Transportation Account, State Trans-	
7	portation Fund (Item 2660-001-	
8	0045).....	-44,000
9	(15) Amount payable from the Public	
10	Transportation Account, State	
11	Transportation Fund (Item 2660-	
12	001-0046).....	-131,201,000
13	(16) Amount payable from the Historic	
14	Property Maintenance Fund (Item	
15	2660-001-0365).....	-1,507,000
16	(17) Amount payable from the Federal	
17	Trust Fund (Item 2660-001-	
18	0890).....	-547,224,000
19	(18) Amount payable from the Transporta-	
20	tion Financing Subaccount, State	
21	Highway Account, State Transporta-	
22	tion Fund (Item 2660-001-6801).....	-15,107,000
23	Provisions:	
24	1. For purposes of the funds appropriated in Schedules	
25	(2) to (7), inclusive, Program 20—Highway Trans-	
26	portation, upon approval of the Department of Fi-	
27	nance, the Department of Transportation shall notify	
28	the chairpersons of the fiscal committees of both	
29	houses of the Legislature and the Chairperson of the	
30	Joint Legislative Budget Committee at least 20 days	
31	prior to spending funds to expand activities above	
32	budgeted levels or to implement a new activity not	
33	identified in this act, including any of those expendi-	
34	tures to be funded through a transfer of moneys from	
35	other expenditure categories or programs, except in	
36	the case of emergency work increases caused by fire,	
37	snow, storm, or earth movement damage.	
38	2. From funds appropriated in this item, the Department	
39	of Transportation may enter into interagency agree-	
40	ments with the Department of the California High-	

1 way Patrol to compensate that department for the
2 cost of work performed by patrol officers at or near
3 state highway construction projects so as to reduce
4 the risk of occurrence of serious motor vehicle acci-
5 dents.

- 6 3. (a) Notwithstanding any other provision of law,
7 funds appropriated in this item from the State
8 Highway Account may be reduced and replaced
9 by an equivalent amount of federal funds deter-
10 mined by the department to be available and nec-
11 essary to comply with Section 8.50 and the most
12 effective management of state transportation re-
13 sources. Not more than 30 days after replacing
14 the state funds with federal funds, the Director
15 of Finance shall notify in writing the chairper-
16 sons of the committees in each house of the Leg-
17 islature that consider appropriations and the
18 Chairperson of the Joint Legislative Budget
19 Committee of this action.

- 20 (b) To the extent that moneys in the State Highway
21 Account are reduced pursuant to this provision,
22 the Department of Transportation may transfer,
23 with the approval of the Business, Transporta-
24 tion and Housing Agency, and upon authoriza-
25 tion by the Director of Finance, all or part of the
26 savings to Item 2660-101-0042, 2660-301-0042,
27 2660-302-0042, or 2660-303-0042 for local as-
28 sistance or capital outlay projects approved by
29 the California Transportation Commission. The
30 Director of Finance shall authorize the transfer
31 not sooner than 30 days after notification in writ-
32 ing to the chairpersons of the committees in each
33 house of the Legislature that consider appropria-
34 tions and the Chairperson of the Joint Legisla-
35 tive Budget Committee.

- 36 4. Notwithstanding any other provision of law, funding
37 appropriated in this item may be transferred to Item
38 2660-005-0042 to pay for any necessary insurance,
39 debt service, and other financing-related expendi-
40 tures for department-owned office buildings. Any

transfer will require the prior approval of the Department of Finance.

5. The funds appropriated in Schedule (2) for external consultant and professional services related to project delivery (also known as 232 contracts) that are unencumbered or encumbered but unexpended related to work that will not be performed during the fiscal year shall revert to the fund from which they were appropriated.
6. Notwithstanding any other provision of law, funds appropriated in this item may be supplemented with federal funding appropriation authority and with prior fiscal year State Highway Account appropriation balances at a level determined by the Department of Transportation as required to process claims utilizing federal advance construction through the plan of financial adjustment process pursuant to Sections 11251 and 16365 of the Government Code.
7. Of the funds appropriated in Schedule (7), \$588,000 is for the maintenance of the new Route 125 toll road in San Diego County. This full amount shall not be available for expenditure until the Department of Transportation has entered into a contract with the contractor for the year in which funds are to be expended.
8. (a) Notwithstanding any other provision of law, funds appropriated in Item 2660-001-0042, 50.00-Administration from the State Highway Account may be reduced and replaced by an equivalent amount of Reimbursements funds determined by the Department of Transportation to be available and necessary to comply with Section 28.50 and the most effective management of state transportation resources. The Reimbursements Account may also be reduced and replaced by an equivalent amount of funds from the State Highway Account. Not more than 30 days after replacing the State Highway Account funds with Reimbursements funds and vice versa, the Director of Finance shall notify in writing

- 1 the chairpersons of the committees in each house
2 of the Legislature that consider appropriations
3 and the Chairperson of the Joint Legislative
4 Budget Committee of this action.
- 5 (b) To the extent that funds in the State Highway
6 Account and Reimbursements Account are re-
7 duced pursuant to this provision, the Department
8 of Transportation may transfer, with the ap-
9 proval of the Business, Transportation and Hous-
10 ing Agency, and upon authorization by the Direc-
11 tor of Finance, all or part of the savings to Item
12 2660-101-0042 for local assistance to Item
13 2660-301-0042 or 2660-302-0042 for capital
14 outlay projects approved by the California
15 Transportation Commission. The Director of Fi-
16 nance shall authorize the transfer not sooner than
17 30 days after notification in writing to the chair-
18 persons of the committees in each house of the
19 Legislature that consider appropriations and the
20 Chairperson of the Joint Legislative Budget
21 Committee.
- 22 9. Of the funds appropriated in Schedule (11), it is the
23 intent of the Legislature that the Equipment Service
24 Fund be abolished as of June 30, 2006. All encum-
25 brances as of June 30, 2006, will become liabilities
26 of the State Highway Account.
- 27 10. Not more than \$1,400,000 appropriated in this item
28 is available for support of the Department of Trans-
29 portation's Owner Controlled Insurance Program to
30 administer insurance coverage for contractors on pro-
31 jects with combined total costs not to exceed
32 \$750,000,000.
- 33 11. Of the funds appropriated in this item, \$76,000,000
34 is for major maintenance contracts for the preserva-
35 tion of highway pavement and shall not be used to
36 supplant any other funding that would have been
37 used for major pavement maintenance.
- 38 12. Of the funds appropriated in Schedule (5),
39 \$48,600,000 is for the payment of tort lawsuit claims
40 and awards. Any funds for that purpose that are unen-

cumbered as of April 1, 2007, may be transferred to Item 2660-302-0042. Any transfer shall require the prior approval of the Department of Finance.

13. Of the funds appropriated in Schedule (2), \$19,600,000 is for capital outlay support costs that would be added due to the passage of the Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act of 2006 on the November 7, 2006, ballot. This amount shall not be available for expenditure until after November 7, 2006, and shall only be available if the voters approve the Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act of 2006.

14. Notwithstanding Section 63048.65 of the Government Code, if no bonds are issued pursuant to that section by June 15, 2007, the Director of Finance shall transfer ~~\$60,000,000~~ \$10,000,000 of the funds in the Special Deposit Fund described in that section to the Traffic Congestion Relief Fund. The director shall then transfer the amount of ~~\$60,000,000~~ \$10,000,000 from the Traffic Congestion Relief Fund to the Public Transportation Account for partial repayment of loans authorized by Section 14556.8 of the Government Code.

SEC. 10. Item 3600-001-0001 of Section 2.00 of the Budget Act of 2006 is amended to read:

3600-001-0001—For support of Department of Fish and	
Game.....	101,813,000
Schedule:	
(1) 20-Biodiversity Conservation Pro-	
gram.....	181,265,000
(2) 25-Hunting, Fishing and Public	
Use.....	58,396,000
(3) 30-Management of Department Lands	
and Facilities.....	67,020,000
(4) 40-Conservation Education and En-	
forcement.....	53,841,000
(5) 50-Spill Prevention and Response.....	30,557,000

1	(6) 70.01-Administration.....	35,511,000
2	(7) 70.02-Distributed Administration.....	-35,511,000
3	(8) Reimbursements.....	-64,689,000
4	(9) Amount payable from the Safe Neighbor-	
5	hood Parks, Clean Water, Clean	
6	Air, and Coastal Protection Bond	
7	Fund (Item 3600-001-0005).....	-984,000
8	(10) Amount payable from the California	
9	Environmental License Plate Fund	
10	(Item 3600-001-0140).....	-15,565,000
11	(11) Amount payable from the Fish and	
12	Game Preservation Fund (Item	
13	3600-001-0200).....	-94,648,000
14	(12) Amount payable from the Fish and	
15	Wildlife Pollution Account (Item	
16	3600-001-0207).....	-2,586,000
17	(13) Amount payable from the California	
18	Waterfowl Habitat Preservation Ac-	
19	count, Fish and Game Preservation	
20	Fund (Item 3600-001-0211).....	-225,000
21	(14) Amount payable from the Exotic	
22	Species Control Fund (Item 3600-	
23	001-0212).....	-1,233,000
24	(15) Amount payable from the Public Re-	
25	sources Account, Cigarette and Tobac-	
26	co Products Surtax Fund (Item 3600-	
27	001-0235).....	-2,665,000
28	(16) Amount payable from the Oil Spill	
29	Prevention and Administration Fund	
30	(Item 3600-001-0320).....	-22,279,000
31	(17) Amount payable from the Environ-	
32	mental Enhancement Fund (Item	
33	3600-001-0322).....	-338,000
34	(18) Amount payable from the Central	
35	Valley Project Improvement Subac-	
36	count (Item 3600-001-0404).....	-55,000
37	(20) Amount payable from the Federal	
38	Trust Fund (Item 3600-001-	
39	0890).....	-56,218,000

1	(21) Amount payable from the Special De-	
2	posit Fund (Item 3600-001-0942).....	-608,000
3	(21.5) Amount payable from the Hatch-	
4	ery and Inland Fisheries Fund	
5	(Item 3600-001-3103)	-17,039,000
6	(22) Amount payable from the Interim	
7	Water Supply and Water Quality In-	
8	frastructure and Management Subac-	
9	count (Item 3600-001-6027).....	-750,000
10	(23) Amount payable from the Water Secu-	
11	rity, Clean Drinking Water, Coastal	
12	and Beach Protection Fund of 2002	
13	(Item 3600-001-6031).....	-6,769,000
14	(24) Amount payable from the Salton Sea	
15	Restoration Fund (Item 3600-001-	
16	8018).....	-2,615,000
17	Provisions:	
18	1. The funds appropriated in this item may be in-	
19	creased with the approval of, and under the condi-	
20	tions set by, the Department of Finance to meet cur-	
21	rent obligations proposed to be funded in Schedules	
22	(8) and (20). The funds appropriated in this item	
23	shall not be increased until the Department of Fish	
24	and Game has a valid contract, signed by the client	
25	agency, that provides sufficient funds to finance the	
26	increased authorization. This increased authoriza-	
27	tion may not be used to expand services or create	
28	new obligations.	
29	Reimbursements received under Schedules (8) and	
30	(20) shall be used in repayment of any funds used to	
31	meet current obligations pursuant to this provision.	
32	2. Of the amount appropriated in Schedule (3),	
33	\$95,000 from the Safe Neighborhood Parks, Clean	
34	Water, Clean Air, and Coastal Protection Bond	
35	Fund and \$622,000 in reimbursements shall be	
36	available for fire prevention projects until June 30,	
37	2007.	
38	8. Of the funds appropriated in this item, at least	
39	\$3,470,000 shall be available for implementation of	
40	the Marine Life Protection Act.	

- 1 9. Of the funds appropriated in this item, \$2,000,000
- 2 shall be available for expenditure until June 30,
- 3 2009, for implementation of the Marine Life Protec-
- 4 tion Act and the Marine Life Management Act.
- 5 14. Contingent upon the receipt of \$150,000 by the De-
- 6 partment of Fish and Game from the San Francisco
- 7 Public Utilities Commission, that same sum is hereby
- 8 appropriated to the Department of Fish and Game for
- 9 use during the 2006–07 fiscal year for associated
- 10 wages, benefits, operating expenses, equipment, and
- 11 department overhead associated with a full-time per-
- 12 son-year, or equivalent, of an environmental scien-
- 13 tist, dedicated to the planning, review, and permitting
- 14 of projects related to the San Francisco Public Utili-
- 15 ties Commission Water System Improvement Pro-
- 16 gram.
- 17 15. Of the funds appropriated in this item, at least
- 18 \$8,000,000 is available for expenditure for the Fish-
- 19 eries Restoration Grant Program consistent with Sec-
- 20 tion 6271.1 of the Public Resources Code and
- 21 \$6,000,000 is available for expenditure on restoration
- 22 projects on the Klamath River system until June 30,
- 23 2009. The department may transfer funds between
- 24 the Fisheries Restoration Grant Program and the Klamath River if additional funds are needed to maxi-
- 25 mize federal funds. This transfer shall occur no soon-
- 26 er than 30 days after written notification is provided
- 27 to the chairpersons of the fiscal committees in each
- 28 house of the Legislature and the chairperson of the
- 29 Joint Legislative Budget Committee. Projects on the
- 30 Klamath River system may also apply for grants un-
- 31 der the Fisheries Restoration Grant Program. Of the
- 32 \$6,000,000 allocated for the Klamath River system,
- 33 \$500,000 is available to the State Coastal Conservan-
- 34 cy for a study on fish passage impediments on the
- 35 Klamath River and its tributaries, including the re-
- 36 moval of dams.
- 37 16. Of the funds appropriated in this item, \$10,000,000
- 38 is available for expenditure for public trust nongame
- 39 fish and wildlife activities, including \$900,000 for in-
- 40

vasive weed control on state-owned lands until June 30, 2009. Of this amount, up to \$1,500,000 may be made available to carry out Section 1507 of the Fish and Game Code relating to mosquito production control and the West Nile Virus. Projects undertaken to implement Section 1507 of the Fish and Game Code are not subject to Part 2 (*commencing with Section 10100*) of Division 2 of the Public Contract Code or Article 6 (*commencing with Section 999*) of Chapter 6 of Division 4 of the Military and Veterans Code. The Department of Fish and Game may contract with a Mosquito and Vector District, a Resource Conservation district, or a nonprofit organization to accomplish these projects.

17. Notwithstanding any other provision of law, the Department of Finance may adjust this item of appropriation to correct any technical errors related to the California Bay-Delta Authority reorganization plan, enacted as part of this budget act, not sooner than 30 days after written notification of the necessity therefor to the chairpersons of the committees in each house of the Legislature that consider appropriations and the Chairperson of the Joint Legislative Budget Committee, or not sooner than whatever lesser time the chairperson of the joint committee, or his or her designee, may in each instance determine.

18. Notwithstanding any other provision of law, the Department of Finance may augment this item to provide authority to spend funds encumbered prior to the 2006–07 fiscal year by the California Bay-Delta Authority for the ongoing support of the CALFED Bay-Delta Program not sooner than 30 days after written notification of the necessity therefor to the chairpersons of the committees in each house of the Legislature that consider appropriations and the Chairperson of the Joint Legislative Budget Committee, or not sooner than whatever lesser time the chairperson of the joint committee, or his or her designee, may in each instance determine.

19. Of the funds appropriated in this item, at least \$5,000,000 is available for implementation of bottom trawling regulation, aquaculture regulations, the Marine Life Protection Act, and the Marine Life Management Act.

SEC. 11. Item 3790-001-0001 of Section 2.00 of the Budget Act of 2006 is amended to read:

3790-001-0001—For support of Department of Parks and Recreation.....	377,959,000
Schedule:	
(1) For support of the Department of Parks and Recreation.....	605,378,000
(2) Reimbursements.....	–31,060,000
(3) Less funding provided by capital outlay.....	–4,000,000
(4) Amount payable from the Safe Neighborhood Parks, Clean Water, Clean Air, and Coastal Protection Bond Fund (Item 3790-001-0005).....	–7,128,000
(5) Amount payable from the California Environmental License Plate Fund (Item 3790-001-0140).....	–2,808,000
(6) Amount payable from the Public Resources Account, Cigarette and Tobacco Products Surtax Fund (Item 3790-001-0235).....	–10,078,000
(7) Amount payable from the Off-Highway Vehicle Trust Fund (Item 3790-001-0263).....	–40,158,000
(8) Amount payable from the State Parks and Recreation Fund (Item 3790-001-0392).....	–121,173,000
(9) Amount payable from the Winter Recreation Fund (Item 3790-001-0449).....	–357,000
(10) Amount payable from the Harbors and Watercraft Revolving Fund (Item 3790-001-0516).....	–712,000

- 1 (11) Amount payable from the Federal
- 2 Trust Fund (Item 3790-001-0890)..... -3,772,000
- 3 (12) Amount payable from the California
- 4 Main Street Program Fund (Item
- 5 3790-001-3077)..... -175,000
- 6 (13) Amount payable from the California
- 7 Clean Water, Clean Air, Safe Neigh-
- 8 borhood Parks, and Coastal Protection
- 9 Fund (Item 3790-001-6029)..... -5,527,000
- 10 (14) Amount payable from the Water Secu-
- 11 rity, Clean Drinking Water, Coastal
- 12 and Beach Protection Fund of 2002
- 13 (Item 3790-001-6031)..... -471,000
- 14 Provisions:
- 15 1. Of the funds appropriated by this act from the Gener-
- 16 al Fund and special funds, other than the Off-High-
- 17 way Vehicle Trust Fund and bond funds, to the De-
- 18 partment of Parks and Recreation for local assistance
- 19 grants to local agencies, the department may allocate
- 20 an amount not to exceed 3.7 percent of each project's
- 21 appropriation, except to the extent otherwise restrict-
- 22 ed by law, to allow the department to administer its
- 23 grants. Such funds shall be available for encum-
- 24 brance or expenditure until June 30, 2012.
- 25 2. It is the intent of the Legislature that salaries, wages,
- 26 operating expenses, and positions associated with im-
- 27 plementing specific Department of Parks and Recre-
- 28 ation capital outlay projects continue to be funded
- 29 through capital outlay appropriations, and that these
- 30 funds should also be reflected in the department's
- 31 state operations budget in the Governor's Budget as
- 32 a special item of expense reflecting the funding pro-
- 33 vided from the capital outlay appropriations.
- 34 3. \$250,000,000 of the funds appropriated in this item
- 35 shall be available for encumbrance until June 30,
- 36 2012.
- 37 4. Notwithstanding any other provision of law, the Di-
- 38 rector of Finance may authorize expenditures in this
- 39 item for capital outlay projects not sooner than 30
- 40 days after written notification is provided to the

chairpersons of the fiscal committees in each house of the Legislature and the Chairperson of the Joint Legislative Budget Committee. The written notification shall provide a description of each capital outlay project, the need for the project, and the cost and phase for which approval is requested. The total of these expenditures may not exceed \$250,000,000.

5. Of the funds appropriated in this item, not less than \$15,000,000 shall be available for operations and maintenance needs at new and existing facilities, including seasonal aquatic safety staffing at state beaches.

6. *Of the funds appropriated in this item, \$563,000 shall be transferred to the Secretary of State for building maintenance of the California State Archives Building.*

SEC. 12. Item 3820-001-0001 of Section 2.00 of the Budget Act of 2006 is amended to read:

3820-001-0001—For support of San Francisco Bay Conservation and Development Commission.....	4,230,000
Schedule:	
(1) 10-Bay Conservation and Development.....	5,103,000
(2) Reimbursements.....	-678,000
(3) Amount payable from the Bay Fill Clean-up and Abatement Fund (Item 3820-001-0914).....	-195,000

Provisions:

~~1. It is the intent of the Legislature that the San Francisco Bay Conservation and Development Commission revise its permit fee schedule to increase fee revenues to at least 50 percent of the amount appropriated in the item to support the operation of the commission's regulatory program.~~

SEC. 13. Item 3860-001-0001 of Section 2.00 of the Budget Act of 2006 is amended to read:

1	3860-001-0001—For support of Department of Water Re-	
2	sources.....	61,997,000
3		63,354,000
4	Schedule:	
5	(1) 10-Continuing Formulation of the	
6	California Water Plan.....	129,658,000
7	(2) 20-Implementation of the State Water	
8	Resources Development System.....	5,184,000
9	(3) 30-Public Safety and Prevention of	
10	Damage.....	79,246,000
11	(4) 40-Services.....	8,729,000
12	(5) 45-California Energy Resources	
13	Scheduling (CERS).....	21,076,000
14	(6) 50.01-Management and Administra-	
15	tion.....	63,700,000
16	(7) 50.02-Distributed Management and	
17	Administration.....	-63,700,000
18	(8) Reimbursements.....	-26,256,000
19		-24,899,000
20	(9) Amount payable from the California	
21	Environmental License Plate Fund	
22	(Item 3860-001-0140).....	-269,000
23	(10) Amount payable from the Central Val-	
24	ley Project Improvement Subaccount	
25	(Item 3860-001-0404).....	-1,575,000
26	(11) Amount payable from the Feasibility	
27	Projects Subaccount (Item 3860-001-	
28	0445).....	-114,000
29	(12) Amount payable from the Water Con-	
30	servation and Groundwater Recharge	
31	Subaccount (Item 3860-001-0446).....	-125,000
32	(13) Amount payable from the Energy Re-	
33	sources Programs Account (Item	
34	3860-001-0465).....	-1,941,000
35	(14) Amount payable from the Local Pro-	
36	jects Subaccount (Item 3860-001-	
37	0543).....	-101,000

1	(15) Amount payable from the Sacramento	
2	Valley Water Management and Habi-	
3	tat Protection Subaccount (Item 3860-	
4	001-0544).....	-60,000
5	(16) Amount payable from the 1986 Water	
6	Conservation and Water Quality Bond	
7	Fund (Item 3860-001-0744).....	-195,000
8	(17) Amount payable from the Federal	
9	Trust Fund (Item 3860-001-0890).....	-12,546,000
10	(18) Amount payable from the Dam Safety	
11	Fund (Item 3860-001-3057).....	-9,128,000
12	(19) Amount payable from the Electric	
13	Power Fund (Item 3860-001-	
14	3100).....	-21,076,000
15	(20) Amount payable from the Safe Drink-	
16	ing Water, Clean Water, Watershed	
17	Protection, and Flood Protection Bond	
18	Fund (Item 3860-001-6001).....	-988,000
19	(21) Amount payable from the Flood Pro-	
20	tection Corridor Subaccount (Item	
21	3860-001-6005).....	-460,000
22	(22) Amount payable from the Urban	
23	Stream Restoration Subaccount (Item	
24	3860-001-6007).....	-609,000
25	(23) Amount payable from the Yuba Feath-	
26	er Flood Protection Subaccount (Item	
27	3860-001-6010).....	-703,000
28	(24) Amount payable from the Water Con-	
29	servation Account (Item 3860-001-	
30	6023).....	-789,000
31	(25) Amount payable from the Conjunctive	
32	Use Subaccount (Item 3860-001-	
33	6025).....	-1,316,000
34	(26) Amount payable from the Bay-Delta	
35	Multipurpose Water Management	
36	Subaccount (Item 3860-001-6026).....	-22,479,000
37	(27) Amount payable from the Interim Wa-	
38	ter Supply and Water Quality Infra-	
39	structure and Management Subaccount	
40	(Item 3860-001-6027).....	-1,446,000

(28) Amount payable from the Water Security, Clean Drinking Water, Coastal and Beach Protection Fund of 2002 (Item 3860-001-6031)..... -79,720,000

Provisions:

1. The amounts appropriated in Items 3860-001-0001 to 3860-001-6031, inclusive, shall be transferred to the Water Resources Revolving Fund (0691) for direct expenditure in such amounts as the Department of Finance may authorize, including cooperative work with other agencies.
2. Funds appropriated in Schedule 3(a) shall be available for encumbrance by the Department of Water Resources until June 30, 2009, and available for liquidation until June 30, 2011.
3. Of the funds appropriated in this item, \$250,000 for Sacramento Bypass Levee repair shall be available for encumbrance until June 30, 2009, and available for liquidation until June 30, 2011.
4. Notwithstanding any other provision of law, the Department of Finance may adjust this item of appropriation to correct any technical errors related to the California Bay-Delta Authority reorganization plan, enacted as part of this budget act, not sooner than 30 days after written notification of the necessity therefor to the chairpersons of the committees in each house of the Legislature that consider appropriations and the Chairperson of the Joint Legislative Budget Committee, or not sooner than whatever lesser time the chairperson of the joint committee, or his or her designee, may in each instance determine.
5. Notwithstanding any other provision of law, the Department of Finance may augment this item to provide authority to spend funds encumbered prior to the 2006-07 fiscal year by the California Bay-Delta Authority for the ongoing support of the CALFED Bay-Delta Program not sooner than 30 days after written notification of the necessity therefor to the chairpersons of the committees in each house of the Legislature that consider appropriations and the

Chairperson of the Joint Legislative Budget Committee, or not sooner than whatever lesser time the chairperson of the joint committee, or his or her designee, may in each instance determine.

SEC. 14. Item 3900-001-0044 of Section 2.00 of the Budget Act of 2006 is amended to read:

3900-001-0044—For support of State Air Resources Board, payable from the Motor Vehicle Account, State Transportation Fund..... 160,579,000

Schedule:

(1) 15-Mobile Source.....	272,255,000
(2) 25-Stationary Source.....	51,210,000
(3) 30.01-Program Direction and Support.....	11,074,000
(4) 30.02-Distributed Program Direction and Support.....	-11,074,000
(5) Reimbursements.....	-4,690,000
(6) Amount payable from the General Fund (Item 3900-001-0001).....	-2,280,000
(7) Amount payable from the Air Pollution Control Fund (Item 3900-001-0115).....	-128,133,000
(8) Amount payable from the Vehicle Inspection and Repair Fund (Item 3900-001-0421).....	-12,530,000
(9) Amount payable from the Air Toxics Inventory and Assessment Account (Item 3900-001-0434).....	-862,000
(10) Amount payable from the Federal Trust Fund (Item 3900-001-0890).....	-12,892,000
(11) Amount payable from the Non-Toxic Dry Cleaning Incentive Trust Fund (Item 3900-001-3070).....	-1,499,000

Provisions:

2. Of the funds appropriated in this item, \$25,000,000 shall be available for grants to public agencies to purchase low-polluting construction equipment if the Transportation and Air Quality Bond is passed by the

1 voters at the November 4, 2006, general election;
2 otherwise, these funds are allocated for replacement
3 of pre-1977 model-year school buses.

- 4 5. Of the funds appropriated pursuant to this item,
5 \$6,500,000 shall be expended pursuant to Section 7
6 of Chapter 91 of the Statutes of 2005. Notwithstand-
7 ing subdivision (a) of Section 1.80 of this act, these
8 funds are available for expenditure until June 30,
9 2009.

- 10 6. \$25,000,000 shall be expended in the budget year
11 pursuant to an expenditure plan jointly developed by
12 the State Air Resources Board and the Energy Con-
13 servation Resources and Development Commission
14 for all of the following purposes:

- 15 (a) Market-based incentives such as buydowns, re-
16 bates, credits, or other incentives for purchasers
17 of high efficiency, high mileage, clean alterna-
18 tive fuel light, medium, and heavy duty vehicles,
19 both individual and public fleet, in California.
20 (b) Production incentives such as loans, loan guaran-
21 tees, and credits for clean alternative fuel produc-
22 tion in California.
23 (c) Market-based incentives such as loans and loan
24 guarantees for the construction of publicly acces-
25 sible, clean alternative fuel refueling stations, in-
26 cluding refueling stations that sell ethanol blends
27 consisting of at least 85 percent ethanol ("E-85"
28), sufficient in number to match the existing and
29 anticipated supply of E-85 vehicles in Califor-
30 nia.
31 (d) Grants for research and development of clean
32 and zero emission fuels and vehicle technology
33 to assist in making those technologies affordable
34 in the marketplace.
35 (e) Incentives to replace the current state vehicle
36 fleet with clean, high mileage alternative fuel ve-
37 hicles.

- 38 7. None of the funds appropriated pursuant to Provision
39 6 shall be used for incentives, grants, or any other

form of state support for the development of fuels derived from petroleum, petroleum coke, or coal.

8. In approving the funding and positions pursuant to this item, it is the intent of the Legislature to ensure that the specific measures to reduce air pollution and greenhouse gas emissions be undertaken and completed by the State Air Resources Board in the fiscal year. Accordingly, the board shall submit quarterly reports on the expenditure of these funds, and the status of the development and adoption of the measures.

9. *On and after the effective date of this item, the State Air Resources Board may expend funds appropriated for preliminary analysis and planning work to implement the emissions inventory, and to begin development of a mandatory emissions reporting system.*

SEC. 15. Item 3940-001-0001 of Section 2.00 of the Budget Act of 2006 is amended to read:

3940-001-0001—For support of State Water Resources Control Board.....	28,982,000
	<i>35,866,000</i>
Schedule:	
(1) 10-Water Quality.....	435,962,000
(2) 20-Water Rights.....	13,288,000
(3) 30.01-Administration.....	17,222,000
(4) 30.02-Distributed Administration.....	-17,222,000
(5) Reimbursements.....	-9,999,000
(6) Amount payable from the Unified Program Account (Item 3940-001-0028).....	-522,000
(7) Amount payable from the Waste Discharge Permit Fund (Item 3940-001-0193).....	-69,614,000
	<i>-63,979,000</i>
(8) Amount payable from the Marine Invasive Species Control Fund (Item 3940-001-0212).....	-79,000

1	(9) Amount payable from the Public Re-	
2	sources Account, Cigarette and Tobac-	
3	co Products Surtax Fund (Item 3940-	
4	001-0235).....	-2,202,000
5	(10) Amount payable from the Integrated	
6	Waste Management Account, Integrat-	
7	ed Waste Management Fund (Item	
8	3940-001-0387).....	-5,649,000
9	(11) Amount payable from the State Re-	
10	volving Fund Loan Subaccount (Item	
11	3940-001-0417).....	-538,000
12	(12) Amount payable from the Water Recy-	
13	cling Subaccount (Item 3940-001-	
14	0419).....	-153,000
15	(13) Amount payable from the Drainage	
16	Management Subaccount (Item 3940-	
17	001-0422).....	-515,000
18	(14) Amount payable from the Seawater In-	
19	trusion Control Subaccount (Item	
20	3940-001-0424).....	-39,000
21	(15) Amount payable from the Under-	
22	ground Storage Tank Tester Account	
23	(Item 3940-001-0436).....	-63,000
24	(16) Amount payable from the Under-	
25	ground Storage Tank Cleanup Fund	
26	(Item 3940-001-0439).....	-272,237,000
27	(17) Amount payable from the Surface Im-	
28	poundment Assessment Account (Item	
29	3940-001-0482).....	-198,000
30	(18) Amount payable from the 1984 State	
31	Clean Water Bond Fund (Item 3940-	
32	001-0740).....	-321,000
33	(19) Amount payable from the Federal	
34	Trust Fund (Item 3940-001-0890).....	-35,036,000
35	(20) Amount payable from the Water	
36	Rights Fund (Item 3940-001-	
37	3058).....	-12,990,000
38		-11,741,000

1	(21) Amount payable from the Watershed	
2	Protection Subaccount (Item 3940-	
3	001-6013).....	-1,069,000
4	(22) Amount payable from the Santa Ana	
5	River Watershed Subaccount (Item	
6	3940-001-6016).....	-1,062,000
7	(23) Amount payable from the Lake Elsi-	
8	nore and San Jacinto Watershed Subac-	
9	count (Item 3940-001-6017).....	-47,000
10	(24) Amount payable from the Nonpoint	
11	Source Pollution Control Subaccount	
12	(Item 3940-001-6019).....	-1,238,000
13	(25) Amount payable from the State Re-	
14	volving Fund Loan Subaccount (Item	
15	3940-001-6020).....	-81,000
16	(26) Amount payable from the Wastewater	
17	Construction Grant Subaccount (Item	
18	3940-001-6021).....	-23,000
19	(27) Amount payable from the Coastal	
20	Nonpoint Source Control Subaccount	
21	(Item 3940-001-6022).....	-1,076,000
22	(28) Amount payable from the Water Secu-	
23	rity, Clean Drinking Water, Coastal	
24	and Beach Protection Fund of 2002	
25	(Item 3940-001-6031).....	-4,620,000
26	(29) Amount payable from the Petroleum	
27	Underground Storage Tank Financing	
28	Account (Item 3940-001-8026).....	-897,000
29	Provisions:	
30	1. Notwithstanding any other provision of law, upon ap-	
31	proval and order of the Director of Finance, the State	
32	Water Resources Control Board may borrow suffi-	
33	cient funds for cash purposes from special funds that	
34	otherwise provide support for the board. Any such	
35	loans are to be repaid with interest at the rate earned	
36	in the Pooled Money Investment Account.	
37	2. Notwithstanding any other provision of law, the De-	
38	partment of Finance may adjust this item of appropri-	
39	ation to correct any technical errors related to the	
40	California Bay-Delta Authority reorganization plan,	

enacted as part of this budget act, not sooner than 30 days after written notification of the necessity therefor to the chairpersons of the committees in each house of the Legislature that consider appropriations and the Chairperson of the Joint Legislative Budget Committee, or not sooner than whatever lesser time the chairperson of the joint committee, or his or her designee, may in each instance determine.

3. Notwithstanding any other provision of law, the Department of Finance may augment this item to provide authority to spend funds encumbered prior to the 2006–07 fiscal year by the California Bay-Delta Authority for the ongoing support of the CALFED Bay-Delta Program not sooner than 30 days after written notification of the necessity therefor to the chairpersons of the committees in each house of the Legislature that consider appropriations and the Chairperson of the Joint Legislative Budget Committee, or not sooner than whatever lesser time the chairperson of the joint committee, or his or her designee, may in each instance determine.

SEC. 16. Item 3940-001-0193 of Section 2.00 of the Budget Act of 2006 is amended to read:

3940-001-0193—For support of State Water Resources Control Board, for payment to Item 3940-001-0001, payable from the Waste Discharge Permit Fund.....	69,614,000 63,979,000
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SEC. 17. Item 3940-001-3058 of Section 2.00 of the Budget Act of 2006 is amended to read:

3940-001-3058—For support of State Water Resources Control Board, for payment to Item 3940-001-0001, payable from the Water Rights Fund.....	12,990,000 11,741,000
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SEC. 18. Item 3960-001-0001 of Section 2.00 of the Budget Act of 2006 is amended to read:

1	3960-001-0001—For support of Department of Toxic Sub-	
2	stances Control, for payment to Item 3960-001-0014.....	22,689,000
3		28,189,000
4	Provisions:	
5	1. The Director of Toxic Substances Control may ex-	
6	pend from this item: (a) \$9,093,000 for the following	
7	activities at the Stringfellow Federal Superfund site:	
8	(1) operation and maintenance of pretreatment plants	
9	to treat contaminated groundwater extracted from the	
10	site, (2) site maintenance and groundwater monitor-	
11	ing, and (3) implementation of work to stabilize the	
12	site, and (b) \$6,562,000 for the operation of the Ille-	
13	gal Drug Laboratory Removal Program.	
14	2. Notwithstanding any other provision of law, the	
15	funds appropriated for removal and remedial action	
16	at the Stringfellow Federal Superfund site shall be	
17	available for encumbrance for three fiscal years sub-	
18	sequent to the fiscal year in which the funds are ap-	
19	propriated, and disbursements in liquidation of en-	
20	cumbrances shall be pursuant to Section 16304.1 of	
21	the Government Code.	
22	3. Of the amount appropriated in this item, \$750,000	
23	shall be used for the purposes of emergency response	
24	activity pursuant to Section 25354 of the Health and	
25	Safety Code, in lieu of the appropriation made pur-	
26	suant to that section.	
27	4. The amount appropriated in this item includes	
28	\$5,475,000 for emergency response activities at the	
29	BKK Landfill. This appropriation is subject to the	
30	condition that, to the extent that funds are expended	
31	for purposes for which any private or public entity is	
32	or may be held financially liable, the Department of	
33	Toxic Substances Control shall take all reasonable	
34	actions to recover the amount of that expenditure	
35	from one or more of those entities, and that the	
36	amounts so recovered be paid to the General Fund in	
37	reimbursement of the amount of that expenditure.	
38	Additionally, those recovered funds shall be spent	
39	before funds from the General Fund, consistent with	
40	the language in any settlement agreements between	

the department and the potentially responsible parties.

5. As of June 30, 2007, or earlier, any unspent funds in Provision 4 shall revert to the General Fund if the Director of Toxic Substances Control and the Director of Finance agree that sufficient funds have been provided by the other potentially responsible parties.

6. The Director of Toxic Substances Control shall send a letter notifying the chairpersons of the fiscal committees of each house of the Legislature that act on the department's budget and the Legislative Analyst's Office within 30 days of receiving any moneys from potentially responsible parties for the BKK Landfill.

SEC. 19. Item 3960-001-0014 of Section 2.00 of the Budget Act of 2006 is amended to read:

3960-001-0014—For support of Department of Toxic Substances Control, payable from the Hazardous Waste Control Account.....	49,725,000
Schedule:	
(1) 12-Site Mitigation and Brownfields	
Reuse.....	80,303,000
(2) 13-Hazardous Waste Management.....	64,181,000
(3) 19.01-Administration.....	30,464,000
(4) 19.02-Distributed Administration.....	-30,464,000
(5) 20-Science, Pollution Prevention and Technology.....	10,148,000
(6) 21-State as Certified Unified Program.....	1,156,000
(7) Reimbursements.....	-10,136,000
(8) Amount payable from General Fund (Item 3960-001-0001).....	-22,689,000
	-28,189,000
(9) Amount payable from Unified Program Account (Item 3960-001-0028).....	-986,000
(10) Amount payable from Illegal Drug Lab Cleanup Account (Item 3960-001-0065).....	-2,034,000

1	(11) Amount payable from California Used	
2	Oil Recycling Fund (Item 3960-001-	
3	0100).....	-359,000
4	(12) Amount payable from Toxic Sub-	
5	stances Control Account (Item 3960-	
6	001-0557).....	-39,537,000
7		-34,037,000
8	(13) Amount payable from Federal Trust	
9	Fund (Item 3960-001-0890).....	-26,258,000
10	(14) Amount payable from Environmental	
11	Quality Assessment Fund (Item 3960-	
12	001-3035).....	-681,000
13	(15) Amount payable from Electronic	
14	Waste Recovery and Recycling Ac-	
15	count (Item 3960-001-3065).....	-2,227,000
16	(16) Amount payable from State Certified	
17	Unified Program Agency Account	
18	(Item 3960-001-3084).....	-1,156,000
19	Provisions:	
20	1. Notwithstanding any other provision of law, upon ap-	
21	proval and order of the Director of Finance, the De-	
22	partment of Toxic Substances Control may borrow	
23	sufficient funds from special funds that otherwise	
24	provide support for the department for cashflow pur-	
25	poses. Any such loans are to be repaid with interest	
26	at the rate earned by the Pooled Money Investment	
27	Account.	
28	2. Notwithstanding any other provision of law, upon re-	
29	quest of the Director of the Department of Toxic	
30	Substances Control, and approval of the Department	
31	of Finance, the Controller shall increase the appropri-	
32	ation in this item in an amount necessary to pay the	
33	Board of Equalization any additional costs the board	
34	may incur to make refunds required by Chapter 737	
35	of the Statutes of 1998, provided sufficient funds are	
36	available for such purposes and the board provides	
37	workload information that justifies the increase.	
38		
39	<i>SEC. 20. Item 3960-001-0557 of Section 2.00 of the Budget</i>	
40	<i>Act of 2006 is amended to read:</i>	

3960-001-0557—For support of Department of Toxic Sub-	
stances Control, for payment to Item 3960-001-0014,	
payable from the Toxic Substances Control Account.....	39,537,000
	34,037,000

Provisions:

1. The amount appropriated in this item includes revenues derived from the assessment of fines and penalties imposed as specified in Section 13332.18 of the Government Code.
2. The amount appropriated in this item includes state oversight costs at military installations. The expenditure of these funds shall not relieve the federal government of the responsibility to pay for all state oversight costs. The department shall take all steps necessary to recover these costs from the federal government, including, but not limited to, filing civil actions authorized by state and federal law.

SEC. 21. Item 4120-001-0001 of Section 2.00 of the Budget Act of 2006 is amended to read:

4120-001-0001—For support of Emergency Medical Services	
Authority.....	19,291,000
Schedule:	
(1) 10-Emergency Medical Services Au-	
thority.....	28,783,000
(2) Reimbursements.....	-6,000,000
(3) Amount payable from the Emergency	
Medical Services Training Program	
Approval Fund (Item 4120-001-	
0194).....	-377,000
(4) Amount payable from the Emergency	
Medical Services Personnel Fund (Item	
4120-001-0312).....	-1,431,000
(5) Amount payable from the Federal	
Trust Fund (Item 4120-001-0890).....	-1,684,000

Provisions:

1. *In order to ensure the protection of the public health, it is the Legislature's intent that all products and services to establish mobile field hospitals be procured*

or ordered by September 1, 2006. Notwithstanding any other provision of law, if the Director of the Emergency Medical Services Authority and the Director of General Services determine that utilizing the state's standard procurement practices related to the \$18,297,000 appropriated in this item for mobile field hospitals will result in the state's inability to meet the September 1, 2006, date, each procurement that is determined to be delayed shall be exempt from Part 2 (commencing with Section 10100) of Division 2 of the Public Contract Code.

SEC. 22. Item 4260-001-0001 of Section 2.00 of the Budget Act of 2006 is amended to read:

4260-001-0001—For support of Department of Health Services.....	212,925,500
	213,925,500
Schedule:	
(1) 10-Public and Environmental Health.....	325,444,000
	326,444,000
(2) 20-Health Care Services.....	663,844,000
(3) 30.01-Administration.....	54,372,000
(4) 30.02-Distributed Administration.....	-51,890,000
(5) Reimbursements.....	-39,300,000
(6) Amount payable from the Breast Cancer Research Account (Item 4260-001-0007).....	-1,464,000
(7) Amount payable from the Breast Cancer Control Account (Item 4260-001-0009).....	-8,098,000
(8) Amount payable from the Nuclear Planning Assessment Special Account (Item 4260-001-0029).....	-813,000
(9) Amount payable from the Motor Vehicle Account, State Transportation Fund (Item 4260-001-0044).....	-1,249,000

1	(10) Amount payable from the Sale of To-	
2	bacco to Minors Control Account	
3	(Item 4260-001-0066).....	-2,300,000
4	(11) Amount payable from the Occupation-	
5	al Lead Poisoning Prevention Account	
6	(Item 4260-001-0070).....	-2,750,000
7	(12) Amount payable from the Medical	
8	Waste Management Fund (Item 4260-	
9	001-0074).....	-1,943,000
10	(13) Amount payable from the Radiation	
11	Control Fund (Item 4260-001-	
12	0075).....	-19,820,000
13	(14) Amount payable from the Tissue Bank	
14	License Fund (Item 4260-001-	
15	0076).....	-282,000
16	(15) Amount payable from the Childhood	
17	Lead Poisoning Prevention Fund (Item	
18	4260-001-0080).....	-9,135,000
19	(16) Amount payable from the Export Doc-	
20	ument Program Fund (Item 4260-001-	
21	0082).....	-387,000
22	(17) Amount payable from the Clinical	
23	Laboratory Improvement Fund (Item	
24	4260-001-0098).....	-5,134,000
25	(18) Amount payable from the Health	
26	Statistics Special Fund (Item 4260-	
27	001-0099).....	-26,837,000
28	(19) Amount payable from the Wine Safety	
29	Fund (Item 4260-001-0116).....	-56,000
30	(20) Amount payable from the Water De-	
31	vice Certification Special Account	
32	(Item 4260-001-0129).....	-208,000
33	(21) Amount payable from the Food Safety	
34	Fund (Item 4260-001-0177).....	-5,793,000
35	(22) Amount payable from the Environmen-	
36	tal Laboratory Improvement Fund	
37	(Item 4260-001-0179).....	-2,975,000
38	(23) Amount payable from the Genetic	
39	Disease Testing Fund (Item 4260-	
40	001-0203).....	-92,871,000

1	(24) Amount payable from the Health Edu-	
2	cation Account, Cigarette and Tobacco	
3	Products Surtax Fund (Item 4260-001-	
4	0231).....	-8,281,000
5	(25) Amount payable from the Research	
6	Account, Cigarette and Tobacco Prod-	
7	ucts Surtax Fund (Item 4260-001-	
8	0234).....	-5,372,000
9	(26) Amount payable from the Unallocated	
10	Account, Cigarette and Tobacco Prod-	
11	ucts Surtax Fund (Item 4260-001-	
12	0236).....	-4,578,000
13	(27) Amount payable from the Drinking	
14	Water Operator Certification Special	
15	Account (Item 4260-001-0247).....	-1,317,000
16	(28) Amount payable from the Nursing	
17	Home Administrator's State License	
18	Examining Fund (Item 4260-001-	
19	0260).....	-491,000
20	(29) Amount payable from the Infant Bo-	
21	tulism Treatment and Prevention Fund	
22	(Item 4260-001-0272).....	-3,053,000
23	(30) Amount payable from the Safe Drink-	
24	ing Water Account (Item 4260-001-	
25	0306).....	-10,162,000
26	(31) Amount payable from the Registered	
27	Environmental Health Specialist Fund	
28	(Item 4260-001-0335).....	-269,000
29	(32) Amount payable from the Mosquito-	
30	borne Disease Surveillance Account	
31	(Item 4260-001-0478).....	-45,000
32	(33) Amount payable from the Drinking	
33	Water Treatment and Research Fund	
34	(Item 4260-001-0622).....	-637,000
35	(34) Amount payable from the Domestic	
36	Violence Training and Education Fund	
37	(Item 4260-001-0642).....	-852,000

1	(35) Amount payable from the California	
2	Alzheimer's Disease and Related Dis-	
3	orders Research Fund (Item 4260-001-	
4	0823).....	-888,000
5	(36) Amount payable from the Federal	
6	Trust Fund (Item 4260-001-	
7	0890).....	-447,328,500
8	(37) Amount payable from the Drug and	
9	Device Safety Fund (Item 4260-001-	
10	3018).....	-3,178,000
11	(38) Amount payable from the Medical	
12	Marijuana Program Fund (Item 4260-	
13	001-3074).....	-855,000
14	(39) Amount payable from the Cannery In-	
15	spection Fund (Item 4260-001-	
16	3081).....	-1,590,000
17	(40) Amount payable from the Mental	
18	Health Services Fund (Item 4260-001-	
19	3085).....	-493,000
20	(41) Amount payable from the Licensing	
21	and Certification Fund (Item 4260-	
22	001-3098).....	-64,886,000
23	(42) Amount payable from the Water Secu-	
24	rity, Clean Drinking Water, Coastal	
25	and Beach Protection Fund of 2002	
26	(Item 4260-001-6031).....	-2,972,000
27	(43) Amount payable from California	
28	Prostate Cancer Research Fund (Item	
29	4260-001-8025).....	-182,000
30	Provisions:	
31	1. Except as otherwise prohibited by law, the depart-	
32	ment shall promulgate emergency regulations to ad-	
33	just the public health fees set by regulation to an	
34	amount such that, if the new fees were effective	
35	throughout the 2006-07 fiscal year, the estimated	
36	revenues would be sufficient to offset at least 95 per-	
37	cent of the approved program level intended to be	
38	supported by those fees. The General Fund fees of	
39	the State Department of Health Services (DHS) that	
40	are subject to the annual fee adjustment pursuant to	

subdivision (a) of Section 100425 of the Health and Safety Code shall be increased by 7.76 percent. The special fund fees of DHS that are subject to the annual fee adjustment pursuant to subdivision (a) of Section 100425 of the Health and Safety Code may be increased by 7.76 percent only if the fund condition statement for a fund projects a reserve less than 10 percent of estimated expenditures and the revenues projected for the 2006–07 fiscal year are less than the appropriation contained in this act.

2. Notwithstanding subdivision (b) of Section 100450 of the Health and Safety Code, departmental fees that are subject to the annual fee adjustment pursuant to subdivision (a) of Section 100450 of the Health and Safety Code shall be increased by 22.50 percent, effective July 1, 2006.
3. The State Department of Health Services shall limit expenditures in this item to implement the Uniform Anatomical Gift Act (Chapter 819 of the Statutes of 2000) to the amount of actual fees collected from tissue banks.
4. \$13,601,000 of the funds appropriated in this item are intended to pay the General Fund portion of annual rents for the Capitol East End Office Complex.
5. The State Department of Health Services shall report annually in writing on the results of the additional positions established under the 2003 Medi-Cal Anti-Fraud Initiative to the chairperson of the committee in each house that considers appropriations and the Chairperson of the Joint Legislative Budget Committee. The report shall include the results of the most recently completed error rate study and random claim sampling process, the number of positions filled by division, and, for each of the components of the initiative, the amount of savings and cost avoidance achieved and estimated, the number of providers sanctioned, and the number of claims and beneficiary records reviewed.
6. Of the funds appropriated for new information technology projects, no funds may be expended on a pro-

ject prior to approval of a feasibility study report concerning that project by the Department of Finance. The State Department of Health Services shall notify the fiscal committees of both houses of the Legislature that a feasibility study report has been approved for a project within 30 days of the report's approval by the Department of Finance, and shall include with the notification a copy of the approved feasibility study report that reflects the Department of Finance's changes.

7. It is the intent of the Legislature that all clinical positions within the Licensing and Certification Division, including medical, nursing, and pharmacy positions, that conduct core functions associated with surveys, field investigations, quality assurance, pharmaceutical monitoring, and related activities be exempt from any unallocated reductions undertaken by the department. The purpose of this language is to assist in ensuring the health and safety of Californians who receive services in various types of facilities that are licensed or certified by the department.
8. The State Department of Health Services shall report to the Joint Legislative Budget Committee on or before February 15, 2007, on the feasibility of each of the following: (a) obtaining federal matching funds for the Trauma Care Fund as administered by the Emergency Medical Services Authority and (b) expanding the existing Medi-Cal State Plan Amendment for Los Angeles and Alameda counties on a statewide basis.
9. The State Department of Health Services shall provide the fiscal and appropriate policy committees of the Legislature with a plan for hiring positions in the Licensing and Certification Division as adopted in the Budget Act of 2006. This plan shall be provided no later than October 1, 2006, and, at a minimum, shall contain all of the following: (a) a schedule for hiring new personnel that specifies their field offices, (b) methods for recruitment of employees for field offices, (c) a description of training for new person-

nel, (d) methods for retaining new personnel as well as existing employees in the field offices; and (e) any other information the department chooses to provide to depict its commitment to maintaining a well-trained, viable workforce in the field offices.

10. *Of the funds appropriated in this item, up to \$1,000,000 shall be used by the State Department of Health Services to contract, or enter into an interagency agreement, to mitigate the effects of Valley Fever, including research and development activities for a vaccine.*

SEC. 23. *Item 4260-111-0001 of Section 2.00 of the Budget Act of 2006 is amended to read:*

4260-111-0001—For local assistance, Department of Health	
Services.....	570,157,000
	569,157,000
Schedule:	
(1) 10.10.010-Vital Records Improvement	
Project.....	963,000
(2) 10.20.010-Environmental Manage-	
ment.....	271,429,000
(3) 10.20.040-Drinking Water.....	95,388,000
(4) 10.30.030-Childhood Lead Poisoning	
Prevention.....	11,000,000
(5) 10.30.040-Chronic Diseases.....	187,890,000
(6) 10.30.050-Communicable Disease	
Control.....	75,711,000
	74,711,000
(7) 10.30.060-AIDS.....	311,552,000
(8) 20.30-County Health Services.....	57,956,000
(9) 20.40-Primary Care and Family	
Health.....	1,536,864,000
(10) Reimbursements.....	-101,619,000
(11) Amount payable from the Breast Can-	
cer Control Account (Item 4260-111-	
0009).....	-8,736,000

1	(12) Amount payable from the Childhood	
2	Lead Poisoning Prevention Fund	
3	(Item 4260-111-0080).....	-11,024,000
4	(13) Amount payable from the Health	
5	Statistics Special Fund (Item 4260-	
6	111-0099).....	-963,000
7	(14) Amount payable from the California	
8	Health Data and Planning Fund (Item	
9	4260-111-0143).....	-200,000
10	(15) Amount payable from the Health Edu-	
11	cation Account, Cigarette and Tobac-	
12	co Products Surtax Fund (Item 4260-	
13	111-0231).....	-52,954,000
14	(16) Amount payable from the Hospital	
15	Services Account, Cigarette and To-	
16	bacco Products Surtax Fund (Item	
17	4260-111-0232).....	-44,377,000
18	(17) Amount payable from the Physicians	
19	Services Account, Cigarette and Tobac-	
20	co Products Surtax Fund (Item 4260-	
21	111-0233).....	-5,564,000
22	(18) Amount payable from the Unallocat-	
23	ed Account, Cigarette and Tobacco	
24	Products Surtax Fund (Item 4260-	
25	111-0236).....	-51,853,000
26	(19) Amount payable from the Child	
27	Health and Safety Fund (Item 4260-	
28	111-0279).....	-975,000
29	(20) Amount payable from the Drinking	
30	Water Treatment and Research Fund	
31	(Item 4260-111-0622).....	-4,374,000
32	(21) Amount payable from the Domestic	
33	Violence Training and Education Fund	
34	(Item 4260-111-0642).....	-235,000
35	(22) Amount payable from the Federal	
36	Trust Fund (Item 4260-111-	
37	0890).....	-1,307,370,000
38	(23) Amount payable from the WIC	
39	Manufacturer Rebate Fund (Item	
40	4260-111-3023).....	-297,401,000

(24) Amount payable from the Water Security, Clean Drinking Water, Coastal and Beach Protection Fund of 2002 (Item 4260-111-6031)..... -90,951,000

Provisions:

1. Program 10.30.060-AIDS: The Office of AIDS in the State Department of Health Services, in allocating and processing contracts and grants, shall comply with the same requirements that are established for contracts and grants for other public health programs. Notwithstanding any other provision of law, the contracts or grants administered by the Office of AIDS shall be exempt from the Public Contract Code and shall be exempt from approval by the Department of General Services prior to their execution.
2. Program 20.40-Primary Care and Family Health: Counties may retain 50 percent of total enrollment and assessment fees that are collected by the counties for the CCS Program. Fifty percent of the enrollment and assessment fee for each county shall be offset from the state's match for that county.
3. Notwithstanding any other provision of law, and due to the need to rapidly acquire, stockpile, store, and distribute antiviral medication to respond to outbreaks of highly communicable diseases such as pandemic influenza, contracts for such purposes funded through this item shall not be subject to Part 2 (commencing with Section 10100) of Division 2 of the Public Contract Code.
4. (a) Of the amount appropriated in this item, the Department of Health Services shall, at the discretion of the director, allocate—~~\$10,000,000~~ \$9,000,000 to local mosquito and vector control agencies or other governmental entities, or contract with other entities to supplement resources for local mosquito control efforts to mitigate the threat of West Nile Virus transmission. In allocating these funds, the director shall first address high priority areas and “hot spots,” based on epidemiological studies and related information to

mitigate the spread of the disease. These funds shall not be used to supplant existing local vector control agency funds.

- (b) In response to the public health implications of the West Nile Virus, and in order to expedite the implementation of mosquito control efforts funded by no more than ~~\$10,000,000~~ \$9,000,000 appropriated in this item, the department may make and receive grants and enter into contracts and interagency agreements. The department shall be exempt from competitive bidding requirements and shall be exempt from the requirements of Part 2 (commencing with Section 10100) of Division 2 of the Public Contract Code.

5. *In order to ensure the protection of the public health, it is the Legislature's intent that all products and services to address the state's readiness related to responding to outbreaks of highly communicable diseases such as pandemic influenza be procured or ordered by September 1, 2006. Notwithstanding any other provision of law, if the Director of Health Services and the Director of General Services determine that utilizing the state's standard procurement practices related to the \$160,781,000 appropriated in this item and the \$34,000,000 appropriated in Item 4260-111-0890 for this purpose will result in the state's inability to meet the September 1, 2006, date, each procurement that is determined to be delayed shall be exempt from Part 2 (commencing with Section 10100) of Division 2 of the Public Contract Code.*

SEC. 24. *Item 4280-001-0001 of Section 2.00 of the Budget Act of 2006 is amended to read:*

4280-001-0001—For support of Managed Risk Medical Insurance Board.....	3,100,977
	2,218,000

1	Schedule:	
2	(1) 10-Major Risk Medical Insurance Pro-	
3	gram.....	957,000
4	(2) 20-Access for Infants and Mothers Pro-	
5	gram.....	891,000
6	(3) 40-Healthy Families Program.....	8,787,977
7		7,905,000
8	(4) 50-Children's Health Initiative Match-	
9	ing Fund Program.....	458,000
10	(6) Reimbursements.....	-199,000
11	(7) Amount payable from Unallocated Ac-	
12	count, Cigarette and Tobacco Products	
13	Surtax Fund (Item 4280-001-0236).....	-35,000
14	(8) Amount payable from Perinatal Insur-	
15	ance Fund (Item 4280-001-0309).....	-877,000
16	(9) Amount payable from Major Risk	
17	Medical Insurance Fund (Item 4280-	
18	001-0313).....	-942,000
19	(10) Amount payable from Federal Trust	
20	Fund (Item 4280-001-0890).....	-5,331,000
21	(11) Amount payable from Mental Health	
22	Services Fund (Item 4280-001-	
23	3085).....	-151,000
24	(12) Amount payable from Federal Trust	
25	Fund (Item 4280-003-0890).....	-298,000
26	(13) Amount payable from Children's	
27	Health Initiative Matching Fund (Item	
28	4280-003-3055).....	-160,000
29	Provisions:	
30	1. Upon order of the Department of Finance, the Con-	
31	troller shall transfer such funds as are necessary be-	
32	tween this item and Item 4280-103-0890 or 4280-	
33	103-3055 in order to effectively administer the Coun-	
34	ty Health Initiative Matching Fund Program.	
35	2. To provide for the effective use of federal State Chil-	
36	dren's Health Insurance Program funds in the County	
37	Health Initiative Matching Fund Program and	
38	notwithstanding Section 28.00, this item may be re-	
39	duced or increased by the Department of Finance not	
40	sooner than 30 days after notification in writing of	

the necessity therefor to the chairpersons of the committees in each house of the Legislature that consider appropriations and the Chairperson of the Joint Legislative Budget Committee, or such lesser time as the chairperson of the committee, or his or her designee, may in each instance determine. This provision shall not apply to any General Fund increases or reductions.

3. Augmentations to reimbursements in this item are exempt from Section 28.50. The Managed Risk Medical Insurance Board shall provide written notification within 30 days to the Joint Legislative Budget Committee describing the nature and planned expenditure of these augmentations when the amount received exceeds \$200,000. Federal funds may be increased to allow for the matching of the augmentations of reimbursements and the Department of Finance may authorize the establishment of positions if costs are fully offset by the augmentations to reimbursements.

SEC. 25. Item 4280-102-0001 of Section 2.00 of the Budget Act of 2006 is amended to read:

4280-102-0001—For local assistance, Managed Risk Medical Insurance Board, for the Healthy Families Program administrative contracts.....		25,813,000
		24,813,000
Schedule:		
(1) 40-Healthy Families Program.....	72,350,000	
	71,350,000	
(2) Reimbursements.....	-7,488,000	
(3) Amount payable from the Federal Trust Fund (Item 4280-102-0890).....	-39,049,000	
Provisions:		
1. Upon order of the Department of Finance, the State Controller shall transfer such funds as are necessary between this item and Item 4280-101-0001 in order to effectively administer the Healthy Families Program.		

SEC. 26. Item 4280-103-0001 of Section 2.00 of the Budget Act of 2006 is repealed.

~~4280-103-0001—For local assistance, Managed Risk Medical Insurance Board, for the County Health Initiative Interim Assistance Program..... 22,783,000~~

SEC. 27. Item 5225-001-0001 of Section 2.00 of the Budget Act of 2006 is amended to read:

5225-001-0001—For support of the Department of Corrections and Rehabilitation..... ~~6,323,617,000~~
6,324,026,000

Schedule:

- (1) 10-Corrections and Rehabilitation Administration..... 247,061,000
- (2) 15-Corrections Standards Authority..... ~~6,612,000~~
7,021,000
- (3) 20-Juvenile Operations..... 194,105,000
- (4) 21-Juvenile Education, Vocations and Offender Programs..... 134,190,000
- (5) 22-Juvenile Paroles..... 36,758,000
- (6) 23-Juvenile Health care..... 78,487,000
- (7) 25-Adult Corrections and Rehabilitation Operations..... 4,735,721,000
- (8) 30-Parole Operations-Adult..... 669,058,000
- (9) 35-Board of Parole Hearings..... 97,931,000
- (10) 40-Community Partnerships..... 7,726,000
- (11) 45-Education, Vocations and Offender Programs-Adult..... 273,496,000
- (13) Reimbursements..... -84,696,000
- (14) Amount payable from the Corrections Training Fund (Item 5225-001-0170)..... -2,671,000
- (15) Amount payable from the Federal Trust Fund (Item 5225-001-0890)..... -6,516,000
- (16) Amount payable from the Inmate Welfare Fund (Item 5225-001-0917)..... -63,645,000

Provisions:

3. Any funds recovered as a result of audits of locally operated return-to-custody centers shall revert to the General Fund.
4. When contracting with counties for vacant jail beds for any inmate under the jurisdiction of the Secretary of the Department of Corrections and Rehabilitation, the department shall not reimburse counties more than the average amount it costs the state to provide the same services in comparable state institutions. This restriction shall not apply to any existing contract, but shall apply to the extension or renewal of that contract. In addition, the total operational cost of incarcerating state inmates in leased county jail beds (which includes state costs, but is exclusive of one-time and capital outlay costs) shall not exceed the department's average cost for operating comparable institutions.
5. Notwithstanding any other provision of law, but subject to providing 30 days' prior notification to the Joint Legislative Budget Committee, funds appropriated in Schedule (7) or (8), or both, may be transferred to Item 5225-101-0001, Schedule (7), upon order of the Director of Finance, to provide funds for the reimbursement of counties for the cost of holding parole violators in local jail.
8. Not later than 60 days following enactment of this act, and subsequently on February 10 and upon release of the May Revision, the Secretary of the Department of Corrections and Rehabilitation shall submit to the Director of Finance the Post Assignment Schedule for each adult institution, reconciled to budgeted authority and consistent with approved programs, along with allotments consistent with the reconciled Post Assignment Schedule for each adult institution.
11. Not later than February 17, 2007, the Secretary of the Department of Corrections and Rehabilitation shall submit to the chairpersons and vice chairpersons of the committees in both houses of the Legislature that

1 consider the state budget and to the Legislative Ana-
2 lyst's Office an operating budget for each of the cor-
3 rectional facilities under the control of the depart-
4 ment. Specifically, the report shall include: (a)
5 yearend expenditures by program for each institution
6 in the 2005–06 fiscal year, (b) allotments and project-
7 ed expenditures by program for each institution in
8 the 2006–07 fiscal year, (c) the number of authorized
9 and vacant positions, estimated overtime budget, esti-
10 mated benefits budget, and operating expense and
11 equipment budget for each institution, and (d) a list
12 of all capital outlay projects occurring or projected to
13 occur during the 2006–07 fiscal year.

- 14 14. Of the funds appropriated in Schedule (1),
15 \$1,000,000 shall be available for expenditure on a
16 comprehensive study of the Department of Correc-
17 tions and Rehabilitation's existing information tech-
18 nology resources and workload no sooner than 30
19 days after approval by the Chairperson of the Joint
20 Legislative Budget Committee of a plan to conduct
21 such a study.

- 22 15. Of the funds appropriated in this item, \$55,969,000
23 is provided for the purpose of funding a 3.1-percent
24 price increase for the Department of Corrections and
25 Rehabilitation. Of that amount, the department shall
26 provide a 3.1-percent increase on the variable costs
27 and personal services amounts for public community
28 correctional facilities.

- 29 16. The Department of Corrections and Rehabilitation
30 shall report to the Joint Legislative Budget Commit-
31 tee on September 1, 2006, and March 1, 2007, regard-
32 ing its efforts to reduce the hiring time for entry level
33 peace officer classifications from point of application
34 to point of eligibility, as well as meet the increasing
35 demands for the institutions statewide. The depart-
36 ment shall provide information on its progress in re-
37 ducing the overall selection process from 12 to 18
38 months to 6 months, and on its progress in providing
39 approximately 3,600 correctional officers in the

- 1 2006–07 fiscal year through the Basic Correctional
2 Officer Academy.
- 3 17. No later than September 1, 2006, the Secretary of the
4 Department of Corrections and Rehabilitation shall
5 submit to the chairpersons and vice chairperson of
6 the committees in both houses of the Legislature that
7 consider the state budget and to the Legislative Ana-
8 lyst’s Office an implementation and evaluation plan
9 for funding provided as part of Recidivism Reduc-
10 tion Strategies. For each program component of Re-
11 cidivism Reduction Strategies, the department shall
12 detail its projected timeline for program implementa-
13 tion, including, but not limited to, purchasing equip-
14 ment and supplies, hiring staff, securing contracts,
15 beginning participation by inmates and parolees, and
16 reaching full operating capacity. For each program
17 component of Recidivism Reduction Strategies, the
18 plan shall also identify the specific measures by
19 which the department plans to evaluate these pro-
20 grams, the baseline measurements for these pro-
21 grams, as well as identify projected implementation
22 targets and targeted projected outcomes for Septem-
23 ber 2006, March 2007, and annually for five years
24 that the department expects to achieve for each of
25 these measures.
- 26 18. Of the funds appropriated in this item, \$900,000 shall
27 be used to contract with correctional program experts
28 to complete comprehensive evaluations of all adult
29 prison and parole programs designed to reduce recidi-
30 vism, including education, rehabilitation and treat-
31 ment, and parole programs, for both male and female
32 inmates and parolees. This evaluation shall include
33 an inventory of existing programs, including pro-
34 gram capacity, as well as an assessment of whether
35 each of these programs is likely to have a significant
36 impact on recidivism for those participants. This
37 evaluation shall also include an estimate of the num-
38 ber of inmates or parolees not currently participating
39 in these programs who would be likely to benefit
40 from participation. The Department of Corrections

1 and Rehabilitation shall submit to the chairpersons
2 and vice chairpersons of the committees in both
3 houses of the Legislature that consider the state bud-
4 get and to the Legislative Analyst's Office a report
5 detailing the findings of the evaluation by June 30,
6 2007.

- 7 22. Of the funds appropriated in this item, \$281,626,000
8 is available for expenditure only for the purposes
9 identified below. Any unexpended funds shall revert
10 to the General Fund.

- 11 (a) Basic Correctional Officer Academy Expansion:
12 \$54,503,000
13 (b) Farrell v. Hickman, Healthcare Remedial Plan:
14 \$7,530,000
15 (c) Farrell v. Hickman, Ward Safety and Welfare
16 Remedial Plan: \$42,934,000
17 (d) Electronic In-Home Detention Restoration:
18 \$1,202,000
19 (e) Medical Guarding and Transportation:
20 \$30,958,000
21 (f) Records Staffing and Automation: \$7,759,000
22 (g) Electromechanical Security Door Operating and
23 Locking System: \$3,000,000
24 (h) Equipment Replacement: \$400,000
25 (i) Private Community Correctional Facility Securi-
26 ty Enhancements: \$453,000
27 (j) Recidivism Reduction Strategies: \$52,761,000
28 (k) Global Positioning System Monitoring Expan-
29 sion: \$5,134,000
30 (l) Critical Special Repair Projects and Assess-
31 ments: \$11,000,000
32 (m) Gang Management: \$200,000
33 (n) Restoration of Parole Hearings Appeals Unit:
34 \$640,000
35 (o) Rutherford v. Schwarzenegger, Life Prisoner Pa-
36 role Hearing Staffing: \$6,646,000
37 (p) Protective Vests: \$4,079,000
38 (q) Enterprise Information Services Corrective Ac-
39 tion Plan: \$2,249,000
40 (r) Madrid v. Woodford, Compliance: \$5,168,000

- 1 (s) Garrison Johnson v. California, Racial Integra-
2 tion: \$4,829,000
- 3 (t) Victims and Witness Assistance at Parole Revo-
4 cation Hearings: \$1,430,000
- 5 (u) Farrell v. Hickman, Mental Health Remedial
6 Plan Resources: \$14,778,000
- 7 (v) Farrell v. Hickman, Consent Decree: \$1,327,000
- 8 (w) Space Needs Related to Farrell v. Hickman:
9 \$12,469,000
- 10 (x) Substance Abuse Treatment Funding: \$835,000
- 11 (y) Coleman v. Schwarzenegger, Court Order Com-
12 pliance: \$2,325,000
- 13 (z) Comprehensive Health Care Recruitment Staff:
14 \$3,928,000
- 15 (aa) Coleman v. Schwarzenegger, Psychiatrists Pay
16 Enhancement: \$3,089,000
- 17 23. Within the 2006–07 fiscal year, the Division of Juve-
18 nile Justice shall implement Behavior Treatment Pro-
19 grams in at least seven living units, enhanced Core
20 Treatment Programs in at least 12 living units, and at
21 least one reentry living unit. In order to demonstrate
22 measurable outcomes, the Division of Juvenile Jus-
23 tice shall focus the implementation of Core Treat-
24 ment Programs at one individual facility in the first
25 fiscal year. No later than September 15, 2006, and
26 March 15, 2007, the Division of Juvenile Justice
27 shall report to the Joint Legislative Budget Commit-
28 tee on specific performance measures by which the
29 Department of Corrections and Rehabilitation plans
30 to evaluate these programs, the baseline measure-
31 ments for these programs, as well as projected imple-
32 mentation targets and projected outcomes for March
33 2007, and September 2007, related to the implementa-
34 tion of the Farrell remedial plans. Performance mea-
35 sures should include both process and outcome mea-
36 sures consistent with a critical path for project imple-
37 mentation.
- 38 24. Funds appropriated to accommodate projected adult
39 institutional and parolee population levels in excess

of those that actually materialize, if any, shall revert to the General Fund.

25. *Of the amount appropriated in Schedule (9), up to \$4,200,000 shall be available to pay for costs of providing legal representation on behalf of the state at parole revocation hearings. However, these funds shall only be available for representation in cases where a witness is subpoenaed to testify on behalf of the state. Use of these funds for legal representation shall not result in creation of a deficiency in this item.*

SEC. 28. *Item 5225-101-0001 of Section 2.00 of the Budget Act of 2006 is amended to read:*

5225-101-0001—For local assistance, Department of Corrections and Rehabilitation..... 279,617,000
324,208,000

Schedule:

- (1) 15-Corrections Standards Authority..... ~~202,250,000~~
246,841,000
- (2) 20-Juvenile Operations..... 78,000
- (3) 22-Juvenile Paroles..... 11,403,000
- (4) 25.15.010-Adult Corrections and Rehabilitation Operations—Transportation of Inmates..... 278,000
- (5) 25.15.020-Adult Corrections and Rehabilitation Operations—Return of Fugitives..... 2,593,000
- (6) 25.30-Adult Corrections and Rehabilitation Operations—County Charges..... 17,160,000
- (7) 30-Parole Operations—Adult..... 45,855,000

Provisions:

1. The amount appropriated in Schedules (4), (5), (6), and (7) is provided for the following purposes:
- (a) To pay the transportation costs of prisoners to and between state prisons, including the return of parole violators to prison and for the conveying of persons under provisions of Division 3

(commencing with Section 3000) of the Welfare and Institutions Code and the Western Interstate Corrections Compact (Section 1190 of the Penal Code), in accordance with Section 26749 of the Government Code. Claims filed by local jurisdictions shall be filed within six months after the end of the month in which those transportation costs are incurred. Expenditures shall be charged to either the fiscal year in which the claim is received by the Controller or the fiscal year in which the warrant is issued by the Controller. Claims filed by local jurisdictions directly with the Controller may be paid by the Controller.

(b) To pay the expenses of returning fugitives from justice from outside the state, in accordance with Sections 1389, 1549, and 1557 of the Penal Code. Claims filed by local jurisdictions shall be filed within six months after the end of the month in which expenses are incurred. Expenditures shall be charged to either the fiscal year in which the claim is received by the Controller or the fiscal year in which the warrant is issued by the Controller, and any restitution received by the state for those expenses shall be credited to the appropriation of the year in which the Controller's receipt is issued. Claims filed by local jurisdictions directly with the Controller may be paid by the Controller.

(c) To pay county charges, payable under Sections 4700.1, 4750 to 4755, inclusive, and 6005 of the Penal Code. Claims shall be filed by local jurisdictions within six months after the end of the month in which a service is performed by the coroner, a hearing is held on the return of a writ of habeas corpus, the district attorney declines to prosecute a case referred by the Department of Corrections and Rehabilitation, a judgment is rendered for a court hearing or trial, an appeal ruling is rendered for the trial judgment, or an activity is performed as permitted by these sec-

1 tions. Expenditures shall be charged to either the
2 fiscal year in which the claim is received by the
3 Controller or the fiscal year in which the warrant
4 is issued by the Controller. Claims filed by local
5 jurisdictions directly with the Controller may be
6 paid by the Controller.

- 7 (d) To reimburse counties for the cost of detaining
8 state parolees pursuant to Section 4016.5 of the
9 Penal Code. Claims shall be filed by local juris-
10 dictions within six months after the end of the
11 month in which the costs are incurred. Claims
12 filed by local jurisdictions may not include
13 booking fees, may not recover detention costs in
14 excess of \$71.57 per day, and shall be limited to
15 the detention costs for those days on which
16 parolees are held subject only to a Department
17 of Corrections and Rehabilitation request pur-
18 suant to subdivision (b) of Section 4016.5 of the
19 Penal Code. Expenditures shall be charged to ei-
20 ther the fiscal year in which the claim is received
21 by the Department of Corrections and Rehabilita-
22 tion or the fiscal year in which the warrant is is-
23 sued.

- 24 2. Notwithstanding any other provision of law, upon
25 30-day prior notification to the Chairperson of the
26 Joint Legislative Budget Committee, funds appropri-
27 ated in Schedule (7) of this item may be transferred
28 to Schedule (7) or (8), or both, of Item 5225-001-
29 0001, upon order of the Director of Finance, to pro-
30 vide funds for the reimbursement of counties for the
31 cost of holding parole violators in local jails or for
32 the auditing or monitoring of local assistance costs.

- 33 4. The amounts appropriated in Schedules (2) and (3)
34 are provided for the following purposes:

- 35 (a) To pay the transportation costs of persons com-
36 mitted to the Department of Corrections and Re-
37 habilitation to or between its facilities, including
38 the return of parole violators, provided that ex-
39 penditures made under this item shall be charged
40 to either the fiscal year in which the claim is re-

ceived by the Controller or the fiscal year in which the warrant is issued by the Controller. However, claims shall be filed by local jurisdictions within six months after the end of the month in which the costs are incurred.

- (b) To reimburse counties, pursuant to Section 1776 of the Welfare and Institutions Code, for the cost of the detention of the Department of Corrections and Rehabilitation parolees who are detained on alleged parole violations, provided that expenditures made under this item shall be charged to either the fiscal year in which the claim is received by the Controller or the fiscal year in which the warrant is issued by the Controller. However, claims shall be filed by local jurisdictions within six months after the end of the month in which the costs are incurred.

- 5. Of the amount appropriated in Schedule (3), \$10,000,000 is for the Juvenile Justice Community Reentry Challenge Grant Program. Of the amount appropriated for this program, up to a total of 5 percent shall be transferred upon the approval of the Director of Finance to either Schedule (2) or (5), or both, of Item 5225-001-0001 for expenditure to administer this program, including technical assistance to counties and the development of an evaluation component.
- 6. *Notwithstanding any other provision of law, of the funds appropriated in Schedule (1), \$22,295,500 shall be allocated for Mentally Ill Offender Crime Reduction grants for adult offenders, consistent with the purpose and intent of Senate Bill 1485 (Chapter 501 of the Statutes of 1998). The grants shall be awarded on a competitive basis using criteria developed by the Corrections Standards Authority. The authority shall develop regulations necessary for the operation of the program.*
- 7. *Notwithstanding any other provision of law, of the funds appropriated in Schedule (1), \$22,295,500 shall be allocated for Mentally Ill Offender Crime*

Reduction grants for juvenile offenders, consistent with the purpose and intent of Senate Bill 1485 (Chapter 501 of the Statutes of 1998). The grants shall be awarded on a competitive basis using criteria developed by the Corrections Standards Authority. The authority shall develop regulations necessary for the operation of the program.

8. Notwithstanding any other provision of law, the funds appropriated in this item for the Mentally Ill Offender Crime Reduction grant program shall be available for expenditure until December 31, 2008.

9. Counties that were awarded funding under a prior Mentally Ill Offender Crime Reduction grant program that were not able to complete the program, as initially approved, due to reduced funding levels shall receive priority consideration of their grant application.

SEC. 29. Item 6110-108-0001 of Section 2.00 of the Budget Act of 2006 is amended to read:

6110-108-0001—For local assistance, Department of Education (Proposition 98), for grades-9 7 to 12 school counselors.....	75,000,000
	200,000,000

Provisions:

1. Of the funds appropriated in this item, ~~-\$75,000,000~~ \$200,000,000 shall be available to grades-9 7 to 12, inclusive, to increase the number of counselors in schools.
2. The appropriation in this item is contingent upon the enactment of legislation during the 2005–06 Regular Session that supplements, not supplants, the number of school counselors that serve students in grades-9 7 to 12, inclusive, and that gives priority to serving students who have failed or are at risk of failing the California High School Exit Examination, or who risk not graduating due to insufficient credits.

SEC. 30. Item 6110-113-0001 of Section 2.00 of the Budget Act of 2006 is amended to read:

6110-113-0001—For local assistance, Department of Education (Proposition 98), for purposes of California’s pupil testing program.....	91,545,000
	88,945,000

Schedule:

- (1) 20.70.030.005-Assessment Review and Reporting..... 2,313,000
- (2) 20.70.030.006-STAR Program..... 65,433,000
- (3) 20.70.030.007-English Language Development Assessment..... 10,056,000
- (4) 20.70.030.008-High School Exit Examination..... ~~13,743,000~~
11,143,000
- (5) 20.70.030.015-California High School Proficiency Examination..... 1,020,000
- (6) Reimbursements..... -1,020,000

Provisions:

1. The funds appropriated in this item shall be for the pupil testing programs authorized by Chapter 5 (commencing with Section 60600), Chapter 7 (commencing with Section 60810), and Chapter 9 (commencing with Section 60850) of Part 33 of the Education Code.
2. The funds appropriated in Schedule (2) are provided for approved contract and district apportionment costs for the development and administration of the California Standards Test, the national Norm-Referenced Test, the Standards-Based Test in Spanish, the California Alternate Performance Assessment, the Designated Primary Language Test, and the California Modified Assessment, as part of the STAR Program.
3. The funds appropriated in Schedule (3) shall be available for approved contract costs and apportionment costs for administration of an English Language Development Test meeting the requirements of Chapter 7 (commencing with Section 60810) of

1 Part 33 of the Education Code. A total of \$9,813,000
2 is provided as incentive funding of \$5 per pupil for
3 district apportionments for the English Language De-
4 velopment Test. As a condition of receiving these
5 funds, school districts must agree to provide informa-
6 tion determined to be necessary to comply with the
7 data collection and reporting requirements of the fed-
8 eral No Child Left Behind Act of 2001 (P.L. 107-
9 110) regarding English language learners by the
10 State Department of Education.

- 11 4. The funds appropriated in Schedule (4) include funds
12 for approved contract costs and apportionment costs
13 for the administration of the HSEE pursuant to Chap-
14 ter 9 (commencing with Section 60850) of Part 33 of
15 the Education Code. The State Board of Education
16 shall annually establish the amount of funding to be
17 apportioned to school districts for the High School
18 Exit Examination. The amount of funding to be ap-
19 portioned per test shall not be valid without the ap-
20 proval of the Department of Finance.

- 21 4.5. Of the funds appropriated in Schedule (4),
22 ~~\$7,700,000~~ *\$5,100,000* is for additional administra-
23 tions of the High School Exit Examination. By April
24 5, 2007, the State Department of Education shall re-
25 port to the Legislature on the number of pupils taking
26 the exam during these additional administrations.

- 27 5. It is the intent of the Legislature that the State Depart-
28 ment of Education develop a plan to streamline exist-
29 ing programs to eliminate duplicative tests and mini-
30 mize the instructional time lost to test administration.
31 The State Department of Education shall ensure that
32 all statewide tests meet industry standards for validi-
33 ty and reliability.

- 34 6. Funds provided to local educational agencies from
35 Schedules (2), (3), and (4) shall first be used to offset
36 any state-mandated reimbursable costs within the
37 meaning of Section 17556 of the Government Code,
38 that otherwise may be claimed through the state man-
39 dates reimbursement process for the Standardized
40 Testing and Reporting Program, the California En-

english Language Development Test, and the High School Exit Examination. Local educational agencies receiving funding from these schedules shall reduce their estimated and actual mandated reimbursement claims by the amount of funding provided to them from these schedules.

8. The funds appropriated in Schedule (2) include one-time funds of \$80,000 to develop a writing test for the new California Modified Assessment for the STAR Program.

SEC. 31. Item 6110-128-0001 of Section 2.00 of the Budget Act of 2006 is amended to read:

6110-128-0001—For local assistance, Department of Education (Proposition 98), for transfer to Section A of the State School Fund, Program 10.30.070-Economic Impact Aid.....	952,688,000
	973,388,000

Schedule:

- (1) 10.30.070.001-Article 2 (commencing with Section 54020) of Chapter 1 of Part 29 of the Education Code..... 952,688,000
973,388,000

Provisions:

2. Of the funds appropriated in this item, ~~\$29,343,000 is for the purpose of providing an adjustment for increases in average daily attendance at a rate of 5 percent. If growth funds are insufficient, the State Department of Education may adjust the per-pupil growth rates to conform to available funds. Additionally, \$36,480,000 is to provide a cost-of-living adjustment at a rate of 5.92 percent.~~
3. Pursuant to paragraph (2) of subdivision (b) of Section 47634.1 of the Education Code, charter schools shall receive an in lieu Economic Impact Aid per-pupil funding rate equal to the statewide average Economic Impact Aid per-pupil rate. Funds shall be transferred, as needed, from this item to Item 6110-211-0001 to ensure that charter schools are provided

the appropriate in lieu Economic Impact Aid per-pupil rate.

4. On or before January 1, 2007, the State Department of Education shall report to the Legislature and the administration on data specific to English learners and economically disadvantaged students, including data from the results of the California Standards Tests, the California English Language Development Test, and the California High School Exit Examination.

SEC. 32. Item 6110-137-0001 of Section 2.00 of the Budget Act of 2006 is amended to read:

6110-137-0001—For local assistance, Department of Education, (Proposition 98), for transfer to Section A of the State School Fund, Program 20.60.260—Instructional Support, Mathematics and Reading Professional Development Program..... 56,728,000

Provisions:

1. The funds appropriated in this item shall be for allocation to local educational agencies that participate in the Mathematics and Reading Professional Development Program established pursuant to Article 3 (commencing with Section 99230) of Chapter 5 of Part 65 of the Education Code.
2. Within 30 days of the enactment of this act, the Superintendent of Public Instruction shall calculate the percentage of teachers eligible for funding based on the funds appropriated in this item. Prior to notifying local educational agencies of this percentage, the Superintendent of Public Instruction shall submit the calculation to the Department of Finance for verification.
3. Of the funds appropriated in this item, \$25,000,000 is to provide professional development to address the needs of teachers of English learners pursuant to legislation to be enacted during the 2005–06 Regular Session that contains improvements to the Mathematics and Reading Professional Development Program,

1 including, but not limited to, revisions to the criteria
2 for providers to ensure that they have adequate expe-
3 rience and qualifications directly related to the needs
4 of English learners.
5

6 *SEC. 33. Item 6110-141-0001 of Section 2.00 of the Budget*
7 *Act of 2006 is repealed.*
8

9 ~~6110-141-0001—For local assistance, State Department of~~
10 ~~Education (Proposition 98), Program 20.90.001.010-In-~~
11 ~~structional Support, California School Information Ser-~~
12 ~~vices.....~~ 15,000,000

13 ~~Provisions:~~

- 14 1. ~~Of the funds appropriated in this item, \$15,000,000~~
15 ~~is for local educational agency (LEA) incentive~~
16 ~~grants to build their local capacity to participate in~~
17 ~~the California Longitudinal Pupil Achievement Data~~
18 ~~System. These funds will be distributed on a per~~
19 ~~pupil basis up to \$2.50 per pupil to LEAs that do all~~
20 ~~of the following: (a) submit their Annual Statewide~~
21 ~~Student Identifier (SSID) Maintenance by dates spec-~~
22 ~~ified by the State Department of Education; (b) in-~~
23 ~~clude the SSID on all statewide assessment answer~~
24 ~~sheets; (c) resolve SSID anomalies to specified rates;~~
25 ~~and (d) meet any other data quality standards deter-~~
26 ~~mined by the State Department of Education. LEAs~~
27 ~~receiving grant funds must also include the SSID on~~
28 ~~student academic records once they have the capacity~~
29 ~~to do so. The State Department of Education shall~~
30 ~~adopt policies to define specified rates and data quali-~~
31 ~~ty standards that LEAs must meet to receive funding.~~
32 ~~LEAs are defined as county offices of education;~~
33 ~~school districts, charter schools, and the State Special~~
34 ~~Schools. The State Department of Education shall~~
35 ~~calculate the grant based on the certified enrollment~~
36 ~~count in the year that funding is provided. Small~~
37 ~~LEAs with enrollment of fewer than 1,000 pupils~~
38 ~~shall receive a minimum of \$2,500 or 1,000 times the~~
39 ~~per pupil dollar amount provided to all other LEAs,~~
40 ~~whichever is less.~~

SEC. 34. Item 6110-161-0001 of Section 2.00 of the Budget Act of 2006 is amended to read:

6110-161-0001—For local assistance, Department of Education (Proposition 98), Program 10.60-Special Education Programs for Exceptional Children.....	3,140,640,000
	3,065,640,000

Schedule:

- | | |
|---|---------------|
| (1) 10.60.050.003-Special education instruction..... | 3,072,996,000 |
| | 2,997,996,000 |
| (2) 10.60.050.080-Early Education Program for Individuals with Exceptional Needs..... | 82,039,000 |
| (3) Reimbursements for Early Education Program, Part C..... | -14,395,000 |

Provisions:

1. Funds appropriated by this item are for transfer by the Controller to Section A of the State School Fund, in lieu of the amount that otherwise would be appropriated for transfer from the General Fund in the State Treasury to Section A of the State School Fund for the 2006–07 fiscal year pursuant to Sections 14002 and 41301 of the Education Code, for apportionment pursuant to Part 30 (commencing with Section 56000) of the Education Code, superseding all prior law.
2. Of the funds appropriated in Schedule (1), \$12,047,000, plus any COLA, shall be available for the purchase, repair, and inventory maintenance of specialized books, materials, and equipment for pupils with low-incidence disabilities, as defined in Section 56026.5 of the Education Code.
3. Of the funds appropriated in Schedule (1), \$9,196,000, plus any COLA, shall be available for the purposes of vocational training and job placement for special education pupils through Project Workability I pursuant to Article 3 (commencing with Section 56470) of Chapter 4.5 of Part 30 of the

Education Code. As a condition of receiving these funds, each local educational agency shall certify that the amount of nonfederal resources, exclusive of funds received pursuant to this provision, devoted to the provision of vocational education for special education pupils shall be maintained at or above the level provided in the 1984–85 fiscal year. The Superintendent of Public Instruction may waive this requirement for local educational agencies that demonstrate that the requirement would impose a severe hardship.

4. Of the funds appropriated in Schedule (1), \$4,797,000, plus any COLA, shall be available for regional occupational centers and programs that serve pupils having disabilities, and \$80,786,000, plus any COLA, shall be available for regionalized program specialist services, \$2,285,000, plus any COLA, for small special education local plan areas (SELPAs) pursuant to Section 56836.24 of the Education Code.
5. Of the funds appropriated in Schedule (1), \$3,000,000 is provided for extraordinary costs associated with single placements in nonpublic, nonsectarian schools, pursuant to Section 56836.21 of the Education Code. Pursuant to legislation, these funds shall also provide reimbursement for costs associated with pupils residing in licensed children's institutes.
6. Of the funds appropriated in Schedule (1), a total of \$185,347,000, plus any COLA, is available to fund the costs of children placed in licensed children's institutions who attend nonpublic schools based on the funding formula authorized in Chapter 914 of the Statutes of 2004.
7. Funds available for infant units shall be allocated with the following average number of pupils per unit:
 - (a) For special classes and centers—16.
 - (b) For resource specialist programs—24.
 - (c) For designated instructional services—16.
8. Notwithstanding any other provision of law, early education programs for infants and toddlers shall be offered for 200 days. Funds appropriated in Schedule

(2) shall be allocated by the State Department of Education for the 2006–07 fiscal year to those programs receiving allocations for instructional units pursuant to Section 56432 of the Education Code for the Early Education Program for Individuals with Exceptional Needs operated pursuant to Chapter 4.4 (commencing with Section 56425) of Part 30 of the Education Code, based on computing 200-day entitlements. Notwithstanding any other provision of law, funds in Schedule (2) shall be used only for the purposes specified in Provisions 10 and 11.

9. Notwithstanding any other provision of law, state funds appropriated in Schedule (2) in excess of the amount necessary to fund the deficiated entitlements pursuant to Section 56432 of the Education Code and Provision 10 shall be available for allocation by the State Department of Education to local educational agencies for the operation of programs serving solely low-incidence infants and toddlers pursuant to Title 14 (commencing with Section 95000) of the Government Code. These funds shall be allocated to each local educational agency for each solely low-incidence child through age two in excess of the number of solely low-incidence children through age two served by the local educational agency during the 1992–93 fiscal year and reported on the April 1993 pupil count. These funds shall only be allocated if the amount of reimbursement received from the State Department of Developmental Services is insufficient to fully fund the costs of operating the Early Intervention Program, as authorized by Title 14 (commencing with Section 95000) of the Government Code.

10. The State Department of Education, through coordination with the SELPAs, shall ensure local interagency coordination and collaboration in the provision of early intervention services, including local training activities, child-find activities, public awareness, and the family resource center activities.

- 1 11. Funds appropriated in this item, unless otherwise
2 specified, are available for the sole purpose of fund-
3 ing 2006–07 special education program costs and
4 shall not be used to fund any prior year adjustments,
5 claims or costs.
- 6 12. Of the amount provided in Schedule (1), \$169,000,
7 plus any COLA, shall be available to fully fund the
8 declining enrollment of necessary small SELPAs
9 pursuant to Chapter 551 of the Statutes of 2001.
- 10 13. Pursuant to Section 56427 of the Education Code, of
11 the funds appropriated in Schedule (1) of this item,
12 up to \$2,324,000 may be used to provide funding for
13 infant programs, and may be used for those programs
14 that do not qualify for funding pursuant to Section
15 56432 of the Education Code.
- 16 14. Of the funds appropriated in Schedule (1),
17 \$29,478,000 shall be allocated to local educational
18 agencies for the purposes of Project Workability I.
- 19 15. Of the funds appropriated in Schedule (1),
20 \$1,700,000 shall be used to provide specialized ser-
21 vices to pupils with low-incidence disabilities, as de-
22 fined in Section 56026.5 of the Education Code.
- 23 16. Of the funds appropriated in Schedule (1), up to
24 \$1,117,000 shall be used for a personnel develop-
25 ment program. This program shall include state-spon-
26 sored staff development for special education person-
27 nel to have the necessary content knowledge and
28 skills to serve children with disabilities. This funding
29 may include training and services targeting special
30 education teachers and related service personnel that
31 teach core academic or multiple subjects to meet the
32 applicable special education requirements of the Indi-
33 viduals with Disabilities Education Improvement Act
34 of 2004.
- 35 17. Of the funds appropriated in Schedule (1), up to
36 \$200,000 shall be used for research and training in
37 cross-cultural assessments.
- 38 18. Of the amount specified in Schedule (1),
39 \$31,000,000 shall be used to provide mental health
40 services required by an individual education plan

1 pursuant to the federal Individuals with Disabilities
2 Education Act (20 U.S.C. Sec. 1400 et seq.) and pur-
3 suant to Chapter 493 of the Statutes of 2004.

4 19. Of the amount provided in Schedule (1),
5 \$179,715,000 is provided for a COLA at a rate of
6 5.92 percent.

7 20. Of the amount provided in Schedule (2), \$4,585,000
8 is provided for a COLA at a rate of 5.92 percent.

9 21. Of the amount specified in Schedule (1),
10 \$12,800,000 shall be allocated to each SELPA based
11 upon an equal amount per ADA and added to each
12 SELPA's base funding as determined pursuant to
13 Chapter 854 of the Statutes of 1997.

14 22. Of the amount appropriated in this item, \$1,480,000
15 is available for the state's share of costs in the settle-
16 ment of *Emma C. v. Delaine Eastin, et al.* (N.D. Cal.
17 No. C96-4179TEH). The State Department of Educa-
18 tion shall report by January 1, 2007, to the fiscal
19 committees of both houses of the Legislature, the De-
20 partment of Finance, and the Legislative Analyst's
21 Office on the planned use of the additional special
22 education funds provided to the Ravenswood Elemen-
23 tary School District pursuant to this settlement. The
24 report shall also provide the State Department of Edu-
25 cation's best estimate of when this supplemental
26 funding will no longer be required by the court. The
27 State Department of Education shall comply with the
28 requirements of Section 948 of the Government
29 Code in any further request for funds to satisfy this
30 settlement.

31 23. Of the funds appropriated in this item, \$2,500,000
32 shall be allocated directly to special education local
33 plan areas for a personnel development program that
34 meets the highly qualified teacher requirements and
35 ensures that all personnel necessary to carry out this
36 part are appropriately and adequately prepared, sub-
37 ject to the requirements of paragraph (14) of subdivi-
38 sion (a) of Section 612 of the Individuals with Dis-
39 abilities Education Act of 2004 (IDEA), and Section
40 2122 of the Elementary and Secondary Education

Act of 1965. The local in-service programs shall include a parent training component and may include a staff training component, and may include a special education teacher component for special education service personnel and paraprofessionals, consistent with state certification and licensing requirements. Use of these funds shall be described in the local plans. These funds may be used to provide training in alternative dispute resolution and the local mediation of disputes. All programs are to include evaluation components.

24. Of the amount appropriated in Schedule (1), \$50,610,000 shall be allocated to each SELPA based upon an equal amount per ADA and added to each SELPA's base funding as determined pursuant to Chapter 854 of the Statutes of 1997, consistent with subdivision (b) of Section 56836.158 of the Education Code.

25. Notwithstanding any other provision of law, state funds appropriated in Schedule (1) in excess of the amount necessary to fund the defined entitlement shall be to fulfill other shortages in entitlements budgeted in this schedule by the State Department of Education, upon Department of Finance approval, to any program funded under Schedule (1).

~~26. Of the amount appropriated in Schedule (1), \$75,000,000 is for an equalization adjustment pursuant to legislation.~~

SEC. 35. Item 6110-182-0001 of Section 2.00 of the Budget Act of 2006 is amended to read:

6110-182-0001—For local assistance, Department of Education (Proposition 98), Program 20.20.030-K-12 High Speed Network.....	4,000,000
	0

Provisions:

2. Expenditure authority of up to \$15,600,000 is provided for the K-12 High Speed Network.

- 1 3. Of the amount authorized for expenditure in Provi-
2 sion 2, \$3,000,000 of unexpended cash reserves and
3 \$4,000,000 of unexpended funds set aside for equip-
4 ment replacement from the following appropriations
5 are available to continue management and operation
6 of the network during the 2006–07 fiscal year: Item
7 6440-001-0001, Schedule (a), Provision 44 of Chap-
8 ter 52, Statutes of 2000; Item 6440-001-0001, Sched-
9 ule (1), Provision 24 of Chapter 106, Statutes of
10 2001; Item 6440-001-0001, Schedule (1), Provision
11 24 of Chapter 379, Statutes of 2002; Item 6440-001-
12 0001, Schedule (1), Provision 22 of Chapter 157,
13 Statutes of 2003; and Item 6110-182-0001, Chapter
14 208, Statutes of 2004.
- 15 4. Of the amount authorized for expenditure in Provi-
16 sion 2, \$4,600,000 shall be funded by E-rate and Cali-
17 fornia Teleconnect Fund moneys. The lead education-
18 al agency or the Corporation for Education Network
19 Initiatives in California (CENIC), or both, shall sub-
20 mit quarterly reports to the Department of Finance
21 and the Legislature on funds received from E-rate
22 and the California Teleconnect Fund.
- 23 4.5. *Of the amount authorized for expenditure in Provi-*
24 *sion 2, \$4,000,000 shall be available from one-time*
25 *Proposition 98 funds pursuant to legislation enacted*
26 *during the 2005–06 Regular Session of the Legisla-*
27 *ture.*
- 28 5. For the 2006–07 fiscal year, all major subcontracts of
29 the K–12 High Speed Network program shall be ex-
30 cluded from both the eligible program costs on which
31 indirect costs are charged and from the calculation of
32 the indirect cost rate based on that year’s data. For
33 purposes of this provision, a major subcontract is de-
34 fined as a subcontract for services in an amount in
35 excess of \$25,000.

36
37 SEC. 36. *Item 6110-190-0001 of Section 2.00 of the Budget*
38 *Act of 2006 is amended to read:*

6110-190-0001—For local assistance, Department of
Education (Proposition 98), Program 10.10-School
Apportionments, Community Day Schools..... ~~49,295,000~~
44,995,000

Provisions:

1. The funds appropriated in this item are for transfer to
Section A of the State School Fund to reimburse
costs incurred pursuant to Chapter 974 of the Statutes
of 1995 as amended by Chapter 847 of the Statutes
of 1998.
2. Funds appropriated in this item shall not be available
for the purposes of Section 41972 of the Education
Code.
3. Of the funds appropriated in this item, \$2,780,000 is
for the purpose of providing a cost-of-living adjust-
ment (COLA) at a rate of 5.92 percent to community
day schools in lieu of the amount that would other-
wise be provided pursuant to subdivision (b) of Sec-
tion 42238.1 of the Education Code.
4. An additional \$4,751,000 in expenditures for this
item has been deferred until the 2007–08 fiscal year.

*SEC. 37. Item 6110-195-0001 of Section 2.00 of the Budget
Act of 2006 is amended to read:*

6110-195-0001—For local assistance, Department of Educa-
tion (Proposition 98), Program 20.60.140-Staff Develop-
ment: Teacher improvement, Teacher Incentives Nation-
al Board Certification..... ~~12,535,000~~
7,535,000

Provisions:

1. The funds appropriated in this item shall be for the
purpose of providing incentive grants to teachers
with certification by the National Board for Profes-
sional Teaching Standards that are teaching in low-
performing schools pursuant to Article 13 (commenc-
ing with Section 44395) of Chapter 2 of Part 25 of
the Education Code.
- ~~2. Of the funds appropriated in this item, \$5,000,000~~
~~shall provide up to \$1,000 per teacher in fee support~~

for teachers seeking National Board for Professional Teaching Standards certification. Priority shall be given to teachers in high priority schools. To the extent any federal funds available for the offset of fees for National Board for Professional Teaching Standards certification become unavailable or are insufficient to meet demand, the funds in this item may be used to provide up to \$2,250 per teacher.

SEC. 38. Item 6110-196-0001 of Section 2.00 of the Budget Act of 2006 is amended to read:

6110-196-0001—For local assistance, Department of Education (Proposition 98), for transfer by the Controller to Section A of the State School Fund, for allocation by the Superintendent of Public Instruction to school districts, county offices of education, and other agencies for the purposes of Proposition 98 educational programs funded in this item, in lieu of the amount that otherwise would be appropriated pursuant to any other statute..... 1,338,623,000
1,388,623,000

Schedule:

(1) 30.10.010-Special Program, Child Development, Preschool Education..... 347,349,000
397,349,000
(1.5) 30.10.020-Child Care Services..... 1,845,828,000
(a) 30.10.020.001-Special Program, Child Development, General Child Development Programs..... 692,054,000
(c) 30.10.020.004-Special Program, Child Development, Migrant Day Care..... 36,024,000

1	(d) 30.10.020.007-Spe-	
2	cial Program, Child	
3	Development,Alter-	
4	native Payment Pro-	
5	gram.....	227,887,000
6	(e) 30.10.020.011-Spe-	
7	cial Program, Child	
8	Development,Alter-	
9	native Payment Pro-	
10	gram—Stage 2.....	425,209,000
11	(f) 30.10.020.012-Spe-	
12	cial Program, Child	
13	Development,Alter-	
14	native Payment Pro-	
15	gram—Stage 3 Se-	
16	taside.....	334,140,000
17	(g) 30.10.020.008-Spe-	
18	cial Program, Child	
19	Development, Re-	
20	source and Refer-	
21	ral.....	17,557,000
22	(i) 30.10.020.015-Spe-	
23	cial Program, Child	
24	Development, Ex-	
25	tended Day Care.....	31,517,000
26	(j) 30.10.020.096-Spe-	
27	cial Program, Child	
28	Development, Al-	
29	lowance for Handi-	
30	capped.....	1,728,000
31	(k) 30.10.020.106-Spe-	
32	cial Program, Child	
33	Development, Califor-	
34	nia Child Care Initia-	
35	tive.....	250,000
36	(l) 30.10.020.901-Spe-	
37	cial Program, Child	
38	Development, Quali-	
39	ty Improvement.....	65,568,000

1	(m) 30.10.020.911-Spe-	
2	cial Program, Child	
3	Development,Central-	
4	ized Eligibility	
5	List.....	7,900,000
6	(n) 30.10.020.920-Spe-	
7	cial Program, Child	
8	Development, Local	
9	Planning Councils.....	5,994,000
10	(3) 30.10.020.908-Special Program, Child	
11	Development, Cost-of-Living Adjust-	
12	ments.....	80,250,000
13	(4) 30.10.020.909-Special Program, Child	
14	Development, Growth Adjustments.....	28,484,000
15	(5) Amount payable from the Federal	
16	Trust Fund (Item 6110-196-	
17	0890).....	-963,288,000
18	Provisions:	
19	1. Notwithstanding Section 8278 of the Education	
20	Code, funds available for expenditure pursuant to	
21	that section shall be expended in the 2006-07 fiscal	
22	year pursuant to the following schedule:	
23	(a) \$4,000,000 or whatever lesser or greater amount	
24	is necessary for accounts payable pursuant to	
25	paragraph (1) of subdivision (b) of Section 8278	
26	of the Education Code.	
27	(b) \$72,452,000 shall be available for CalWORKs	
28	Stage 2 child care.	
29	(c) The Controller shall establish an account entitled	
30	Section 8278 Expenditures in 2005 in Item	
31	6110-196-0001, Program 30.10.060. Any unex-	
32	pendended General Fund balances as of June 30 ,	
33	2006, or subsequent abatements, from those	
34	amounts listed in Schedules (1), (1.5)(a),	
35	(1.5)(c), (1.5)(d), (1.5)(g), (1.5)(i), (1.5)(j),	
36	(1.5)(k), (1.5)(l), and (1.5)(n), that are available	
37	pursuant to Section 8278 of the Education Code,	
38	shall be transferred to the account for the pur-	
39	pose of making expenditures pursuant to that	
40	section and as specified in this provision.	

- 1 2. (a) Notwithstanding any other provision of law, al-
2 ternative payment child care programs shall be
3 subject to the rate ceilings established in the Re-
4 gional Market Rate Survey of California child
5 care and development providers for provider
6 payments. When approved pursuant to Section
7 8447 of the Education Code, any changes to the
8 market rate limits, adjustment factors or regions
9 shall be utilized by the State Department of Edu-
10 cation and the State Department of Social Ser-
11 vices in various programs under the jurisdiction
12 of either department.
- 13 (b) Notwithstanding any other provision of law, the
14 funds appropriated in this item for the cost of li-
15 censed child care services provided through alter-
16 native payment or voucher programs including
17 those provided under Article 3 (commencing
18 with Section 8220) and Article 15.5 (commenc-
19 ing with Section 8350) of Chapter 2 of Part 6 of
20 the Education Code shall be used only to reim-
21 burse child care costs up to the 85th percentile of
22 the rates charged by providers offering the same
23 type of child care for the same age child in that
24 region.
- 25 3. *Of the amount appropriated in Schedule (1),*
26 *\$50,000,000 is available to expand state preschool*
27 *programs pursuant to legislation enacted during the*
28 *2005–06 Regular Session.*
- 29 5. Funds in Schedule (1.5)(I) shall be reserved for activ-
30 ities to improve the quality and availability of child
31 care, pursuant to the following:
 - 32 (a) \$1,990,000 is for the schoolage care and re-
33 source and referral earmark.
 - 34 (b) \$11,221,000 is for the infant and toddler ear-
35 mark and shall be used for increasing the supply
36 of quality child care for infants and toddlers.
 - 37 (c) \$5,233,000 in one-time federal funding is avail-
38 able for use in the 2006–07 fiscal year. Of that
39 amount, \$200,000 shall be used for Trustline
40 registration workload (Chapter 3.35 (commenc-

ing with Section 1596.60) of Division 2 of the Health and Safety Code), \$1,500,000 shall be used for health and safety training for both licensed and license-exempt child care providers, and \$1,000,000 shall be used for the development of preschool learning standards. The remaining funds shall be used for child care and development quality expenditures identified by the State Department of Education and approved by the Department of Finance.

- (d) From the remaining funds, the following amounts shall be allocated for the following purposes: \$4,000,000 to train former CalWORKs recipients as child care teachers; \$2,700,000 for contracting with the State Department of Social Services (DSS) for increased inspections of child care facilities; \$1,000,000 for Trustline registration workload (Chapter 3.35 (commencing with Section 1596.60) of Division 2 of the Health and Safety Code); \$500,000 for health and safety training for licensed and exempt child care providers; \$320,000 for the Child Development Training Consortium; \$300,000 for the Health Hotline; and \$300,000 to implement a technical assistance program to child care providers in accessing financing for renovation, expansion, and/or construction of child care facilities.
- (e) As required by federal law, the State Department of Education (SDE) shall develop an expenditure plan that sets forth the final priorities and the reasons therefor if the final priorities are different from those approved in response to the reporting requirement contained in Provision 7(g) of Item 6110-196-0001 of the Budget Act of 2004 (Ch. 208, Stats. 2004). This plan shall be submitted to the Department of Finance by February 15 of each year, and funds shall not be encumbered prior to approval of the plan by the Department of Finance. The SDE shall coordi-

1 nate with the DSS, the California Children and
2 Families State Commission, and other applicable
3 entities to identify annual statewide expenditures
4 for quality enhancements which qualify for
5 meeting federal requirements, and shall refer-
6 ence these expenditures in its biennial federal
7 quality plans or any subsequent amendments.

8 (f) The department shall establish an expenditure
9 plan for the 2007–08 fiscal year that sets forth
10 the proposed state and local activities to improve
11 child care, including the reasons therefor, to be
12 undertaken in the 2007–08 fiscal year. The plan
13 shall be submitted to the Department of Finance
14 and to the fiscal committees of both houses of
15 the Legislature at least 30 days prior to the com-
16 mencement of public hearings and no later than
17 March 1, 2007.

18 (g) \$15,000,000 from the General Fund shall be for
19 child care worker recruitment and retention pro-
20 grams authorized by Chapter 547 of the Statutes
21 of 2000.

22 6. (a) The State Department of Education (SDE) shall
23 conduct monthly analyses of CalWORKs Stage
24 2 and Stage 3 caseloads and expenditures and
25 adjust agency contract maximum reimbursement
26 amounts and allocations as necessary to ensure
27 funds are distributed proportionally to need. The
28 SDE shall share monthly caseload analyses with
29 the State Department of Social Services (DSS).

30 (b) The SDE shall provide quarterly information re-
31 garding the sufficiency of funding for Stage 2
32 and Stage 3 to DSS. The SDE shall provide
33 caseloads, expenditures, allocations, unit costs,
34 family fees, and other key variables and assump-
35 tions used in determining the sufficiency of state
36 allocations. Detailed backup by month and on a
37 county-by-county basis shall be provided to the
38 DSS at least on a quarterly basis for compar-
39 isons with Stage 1 trends.

- 1 (c) Any request from the Temporary Assistance to
2 Needy Families (TANF) reserve shall be based
3 on the information and analyses pursuant to the
4 preceding paragraphs and shall be made jointly
5 and coordinated with the DSS to eliminate dupli-
6 cation. In order to facilitate coordination, de-
7 tailed backup by month and on a county-by-
8 county basis, if different from quarterly data pro-
9 vided pursuant to the previous paragraph, shall
10 be provided to the DSS to facilitate its analyses
11 and comparison of overall CalWORKs caseloads
12 and related child care needs.
- 13 (d) By September 30 and March 30 of each year, the
14 SDE shall ensure that detailed caseload and ex-
15 penditure data, through the most recent period
16 for Stage 2 and Stage 3 Setaside along with all
17 relevant assumptions, is provided to DSS to facil-
18 itate budget development. The detailed data pro-
19 vided shall include actual and projected monthly
20 caseload from Stage 2 scheduled to time off of
21 their transitional child care benefit from the last
22 actual month reported by agencies through the
23 next two fiscal years as well as local attrition ex-
24 perience. DSS shall utilize data provided by the
25 department, including key variables from the pri-
26 or fiscal year and the first two months of the cur-
27 rent fiscal year, to provide coordinated estimates
28 in November of each year for each of the three
29 stages of care for preparation of the Governor's
30 Budget, and shall utilize data from at least the
31 first two quarters of the current fiscal year, and
32 any additional monthly data as they become
33 available for preparation of the May Revision.
34 DSS shall share its assumptions and methodolo-
35 gy with SDE in the preparation of the Gover-
36 nor's Budget.
- 37 (f) The SDE shall coordinate with the DSS to identi-
38 fy annual general subsidized child care program
39 expenditures for TANF-eligible children. The

- 1 SDE shall modify existing reporting forms as
2 necessary to capture this data.
- 3 (g) The SDE shall provide to the DSS, upon request,
4 access to the information and data elements nec-
5 essary to comply with federal reporting require-
6 ments and any other information deemed neces-
7 sary to improve estimation of child care budget-
8 ing needs.
- 9 7. Notwithstanding any other provision of law, the
10 funds in Schedule (1.5)(f) are reserved exclusively
11 for continuing child care for the following: (a) for-
12 mer CalWORKs families who are working, have left
13 cash aid and have exhausted their two-year eligibility
14 for transitional services in either Stage 1 or 2 pur-
15 suant to subdivision (c) of Section 8351 or Section
16 8353 of the Education Code, respectively, but still
17 meet eligibility requirements for receipt of subsi-
18 dized child care services; and (b) families who re-
19 ceived lump-sum diversion payments or diversion
20 services under Section 11266.5 of the Welfare and
21 Institutions Code and have spent two years in Stage 2
22 off of cash aid, but still meet eligibility requirements
23 for receipt of subsidized child care services.
- 24 8. Nonfederal funds appropriated by this item which
25 have been budgeted to meet the state's Temporary
26 Assistance for Needy Families maintenance-of-effort
27 requirement established pursuant to the federal Per-
28 sonal Responsibility and Work Opportunity Reconcil-
29 iation Act of 1996 (P.L. 104-193) may not be expend-
30 ed in any way that would cause their disqualification
31 as a federally allowable maintenance-of-effort expen-
32 diture.
- 33 9. Notwithstanding any other provision of law, adminis-
34 trative and support services allowances for the pro-
35 grams funded through Schedules (1.5)(d), (1.5)(e),
36 and (1.5)(f) shall be limited to no more than 20 per-
37 cent of the total contract amount.
- 38 10. Notwithstanding Section 26.00, the funds appropriat-
39 ed in Schedule (3), for child development cost-of-liv-
40 ing adjustments, are for allocation among Schedules

(1), (1.5)(a), (1.5)(c), (1.5)(d), (1.5)(g), (1.5)(i), (1.5)(j), and (1.5)(n). Funds shall not be allocated to programs prior to approval of a budget revision by the Department of Finance. After allocation of the COLA, the maximum standard reimbursement rate shall not exceed \$32.89 per day for General Child Care programs and \$20.30 per day for State Preschool Programs. Furthermore, the Migrant Child Care and Cal-SAFE Child Care programs shall adhere to the maximum standard reimbursement rates as prescribed for the General Child Care programs. All other rates and adjustment factors shall be revised to conform.

11. Notwithstanding Section 26.00, the funds appropriated in Schedule (4), for child development growth adjustments, are for allocation among Schedules (1.5)(a), (1.5)(c), (1.5)(d), (1.5)(i), and (1.5)(j).

Funds allocated to Schedules (1.5)(a), (1.5)(c), (1.5)(i), and (1.5)(j) shall be used by the State Department of Education to increase the standard reimbursement rate to the level specified in Provision 10. Funds shall not be allocated to programs prior to approval of a budget revision by the Department of Finance.

13. Notwithstanding any other provision of law, the federal funds in Schedule (1.5)(m) are appropriated exclusively for developing and maintaining a centralized eligibility list in each county pursuant to Section 8227 of the Education Code. By November 1 of each year, the State Department of Education shall provide a status report on implementing eligibility lists in each county, which shall include, but is not limited to, the cost of implementation and operation of the eligibility lists in each county, and number of children and families on the list for each county.

14. Notwithstanding Section 8278.3 of the Education Code or any other provision of law, up to \$5,000,000 of the Child Care Facilities Revolving Fund balance may be allocated for use on a one-time basis to allow facilities to perform necessary renovations and re-

pairs to meet health and safety standards, to comply with the federal Americans with Disabilities Act of 1990 (42 U.S.C. Secs. 12101 et seq.), and to perform emergency repairs, that were the result of an unforeseen event and are necessary to maintain continued normal operation of the child care and development program. These funds shall be made available to school districts and contracting agencies that provide subsidized center-based services pursuant to the Child Care and Development Services Act, Chapter 2 (commencing with Section 8200) of Part 6 of the Education Code.

15. It is the intent of the Legislature to convene a workgroup consisting of representatives from the Department of Finance, the Legislature, and the State Department of Education. The workgroup shall consider the process for setting subsidized voucher rates for child care providers that do not serve nonsubsidized families.

SEC. 39. Item 6110-204-0001 of Section 2.00 of the Budget Act of 2006 is amended to read:

6110-204-0001—For local assistance, Department of Education (Proposition 98), for transfer by the Controller to Section A of the State School Fund for allocation by the Superintendent of Public Instruction for allocation to school districts to increase the number of pupils that pass the California High School Exit Examination.....	100,500,000
	69,599,000

Provisions:

1. The funds appropriated in this item are available to assist eligible pupils, pursuant to Section 37254 of the Education Code, who are required to pass the California High School Exit Examination in order to receive a diploma in 2007 and 2008.
4. The Superintendent of Public Instruction shall apportion \$500 per eligible pupil, to the extent that funds are available.

- 1 5. The funds in this item shall be allocated by the State
- 2 Department of Education as specified in this item no
- 3 later than October 1 of each fiscal year.
- 4 6. Any unused funds shall be prorated to all eligible
- 5 class of 2008 students who failed one or both parts of
- 6 the California High School Exit Examination.
- 7 ~~7. Of the funds appropriated in this item, \$30,000,000~~
- 8 ~~is for the purposes of providing early intervention~~
- 9 ~~and planning for students in grades 7 to 12, inclusive,~~
- 10 ~~who are at risk of not passing the California High~~
- 11 ~~School Exit Examination, pursuant to legislation en-~~
- 12 ~~acted during the 2005–06 Regular Session.~~

13
14 *SEC. 40. Item 6110-260-0001 is added to Section 2.00 of the*
15 *Budget Act of 2006, to read:*

16
17 *6110-260-0001—For local assistance, Department of Educa-*
18 *tion (Proposition 98), 20.11-Instructional Support: Physi-*
19 *cal Education Teacher Incentive Grants..... 40,000,000*
20 *Provisions:*

- 21 1. *The funds appropriated in this item are for transfer*
- 22 *by the Controller to the Superintendent of Public In-*
- 23 *struction to provide incentive grants to schools serv-*
- 24 *ing kindergarten or any of grades 1 to 8, inclusive, to*
- 25 *support the hiring of more credentialed physical edu-*
- 26 *cation teachers.*
- 27 *These grants shall be allocated in the amount of*
- 28 *\$35,000 per schoolsite in order to hire teachers to*
- 29 *provide instruction in physical education courses.*
- 30 *Grant recipients shall be randomly selected and be*
- 31 *equitably distributed based on type of school, size,*
- 32 *and geographic location.*
- 33 2. *As a condition of receipt of funds, school districts*
- 34 *identified through the process required pursuant to*
- 35 *Section 41020 of the Education Code as not meeting*
- 36 *the required physical education instruction minutes*
- 37 *required in Section 51222 of the Education Code,*
- 38 *shall be required to provide a plan to the County Of-*
- 39 *fice of Education that corrects the deficient physical*
- 40 *education minutes for the following school year and,*

to the extent practicable, make up the deficient minutes identified.

SEC. 41. Item 6110-262-0001 of Section 2.00 of the Budget Act of 2006 is repealed.

~~6110-262-0001—For local assistance, Department of Education (Proposition 98), Teacher Retention and Recruitment..... 48,306,000~~

Provisions:

- ~~1. Funds in this item shall be used pursuant to legislation enacted during the 2005–06 Regular Session that improves the recruitment and retention of credentialed teachers.~~

SEC. 42. Item 6110-265-0001 of Section 2.00 of the Budget Act of 2006 is amended to read:

6110-265-0001—For local assistance, Department of Education (Proposition 98), Program 20.15—Arts and Music Block Grant 75,000,000
105,000,000

Provisions:

1. The funds appropriated in this item shall be for the purpose of providing block grants to school districts, charter schools, and county offices of education to support standards-aligned art and music instruction in kindergarten and grades 1 to 12, inclusive. It is the intent of the Legislature that these funds supplement, and not supplant, existing resources for arts and music.
2. The State Department of Education shall allocate the funding to districts, charter schools, and county offices of education at an equal per pupil amount on the basis of a minimum of ~~\$3,000~~ \$2,500 for school-sites with 10 or fewer students and a minimum of ~~\$5,000~~ \$4,000 per schoolsite with more than 20 students.
3. The funds appropriated in this item may be used for hiring of additional staff, purchase of new materials,

books, supplies, and equipment, and implementing or increasing staff development opportunities, as necessary to support standards-aligned arts and music instruction.

SEC. 43. Item 6110-268-0001 is added to Section 2.00 of the Budget Act of 2006, to read:

6110-268-0001—For local assistance, Department of Education (Proposition 98), Child Oral Health Assessments Program..... 4,400,000

Provisions:

1. Of the amount appropriated in this item, \$4,400,000 is to be allocated to local educational agencies and is contingent upon legislation enacted during the 2005–06 Regular Session regarding child oral health assessments.

SEC. 44. Item 6110-295-0001 of Section 2.00 of the Budget Act of 2006 is amended to read:

6110-295-0001—For local assistance, Department of Education (Proposition 98), for reimbursement, in accordance with the provisions of Section 6 of Article XIII B of the California Constitution or Section 17561 of the Government Code, of the cost of any new program or increased level of service of an existing program mandated by statute or executive order, for disbursement by the State Controller..... ~~133,588,000~~

38,000

Schedule:

(1) 98.01.003.677-Annual Parent Notification (Ch. 36, Stats. 1977, et al.) (CSM 4445, 4453, 4461, 4462, 4474, 4488, ~~5,488,000~~

97-TC-24, 99-TC-09, 00-TC-12)..... 1,000

(2) 98.01.009.894-Caregiver Affidavits ~~875,000~~

(Ch. 98, Stats. 1994) (CSM 4497)..... 1,000

(3) 98.01.016.193-Intradistrict Attendance ~~4,743,000~~

(Ch. 161, Stats. 1993) (CSM 4454)..... 1,000

1	(4) 98.01.048.765-Mandate Reimburse-	
2	ment Process (Ch. 486, Stats. 1975)	13,788,000
3	(CSM 4485).....	1,000
4	(5) 98.01.049.801-Graduation Require-	
5	ments (Ch. 498, Stats. 1983) (CSM	8,278,000
6	4435).....	1,000
7	(6) 98.01.049.802-Notification of Truancy	8,518,000
8	(Ch. 498, Stats. 1983) (CSM 4133).....	1,000
9	(7) 98.01.049.803-Pupil Suspensions, Ex-	
10	pulsions, Expulsion Appeals (Ch. 498,	
11	Stats. 1983, et al.) (CSM 4456, 4455,	3,404,000
12	4463).....	1,000
13	(8) 98.01.078.192-Charter Schools (Ch.	906,000
14	781, Stats. 1992) (CSM 4437).....	1,000
15	(9) 98.01.079.980-PERS Death Benefits	694,000
16	(Ch. 799, Stats. 1980).....	1,000
17	(10) 98.01.081.891-AIDS Prevention In-	
18	struction I and II (Ch. 818, Stats. 1991;	
19	Ch. 403, Stats. 1998) (CSM 4422; 99-	2,624,000
20	TC-07, 00-TC-01).....	1,000
21	(11) 98.01.096.175-Collective Bargaining	
22	(Ch. 961, Stats. 1975) (CSM 4425, 97-	26,387,000
23	TC-08).....	1,000
24	(12) 98.01.096.577-Pupil Health Screen-	
25	ings (Ch. 1208, Stats. 1976) (CSM	3,908,000
26	4440).....	1,000
27	(13) 98.01.097.595-Physical Performance	
28	Tests (Ch. 975, Stats. 1995) (96-365-	1,963,000
29	01).....	1,000
30	(14) 98.01.101.184-Juvenile Court Notices	
31	II (Ch. 1011, Stats. 1984; Ch. 1423,	821,000
32	Stats. 1984) (CSM 4475).....	1,000
33	(15) 98.01.110.784-Removal of Chemicals	
34	(Ch. 1107, Stats. 1984) (CSM 4211,	456,000
35	4298).....	1,000
36	(16) 98.01.111.789-Law Enforcement	
37	Agency Notifications (Ch. 1117, Stats.	1,615,000
38	1989) (CSM 4505, 4505-2).....	1,000

1	(17) 98.01.117.677-Immunization Records	
2	(Ch. 1176, Stats. 1977) (SB 90-	3,588,000
3	120).....	1,000
4	(18) 98.01.118.475-Habitual Truants (Ch.	
5	1184, Stats. 1975) (CSM 4487, 4487-	6,371,000
6	A).....	1,000
7	(19) 98.01.125.375-Expulsion Transcripts	9,000
8	(Ch. 1253, Stats. 1975).....	1,000
9	(20) 98.01.130.689-Notification to Teach-	
10	ers of Public Expulsion (Ch. 1306,	5,235,000
11	Stats. 1989) (CSM 4452).....	1,000
12	(21) 98.01.134.780-Scoliosis Screening	
13	(Ch. 1347, Stats. 1980) (CSM	2,264,000
14	4195).....	1,000
15	(22) 98.01.139.874-PERS Unused Sick	
16	Leave Credit (Ch. 1398, Stats.	2,872,000
17	1974).....	1,000
18	(23) 98.01.030.995-Pupil Residency Verifi-	
19	cation and Appeals (Ch. 309, Stats.	153,000
20	1995) (96-384-01).....	1,000
21	(24) 98.01.058.897-Criminal Background	
22	Checks (Ch. 558, Stats. 1997) (97-TC-	2,569,000
23	16).....	1,000
24	(25) 98.01.083.194-School Bus Safety I	
25	and II (Ch. 624, Stats. 1992; Ch. 831,	
26	Stats. 1994; Ch. 739, Stats. 1997) (97-	
27	TC-22).....	0
28	(26) 98.01.046.576-Peace Officers Procedu-	
29	ral Bill of Rights (Ch. 465, Stats.	4,000
30	1976) (CSM 4499).....	1,000
31	(27) 98.01.361.977-Financial and Compli-	
32	ance Audits (Ch. 36, Stats. 1977)	353,000
33	(CSM 4498, 4498-A).....	1,000
34	(28) 98.01.064.097-Physical Education Re-	
35	ports (Ch. 640, Stats. 1997) (98-TC-	2,000
36	08).....	1,000
37	(29) 98.01.112.096-Health Benefits for Sur-	
38	vivors of Peace Officers and Firefight-	
39	ers (Ch. 1120, Stats. 1996) (97-TC-	
40	25).....	1,000

1	(30) 98.01.091.787-County Office of Educa-	
2	tion Fiscal Accountability Reporting	288,000
3	(Ch. 917, Stats. 1987) (97-TC-20).....	1,000
4	(31) 98.01.010.081-School District Fiscal	
5	Accountability Reporting (Ch. 100,	1,627,000
6	Stats. 1981) (97-TC-19).....	1,000
7	(32) 98.01.012.693-Law Enforcement Sexu-	
8	al Harassment Training (Ch. 126,	
9	Stats. 1993) (97-TC-07).....	0
10	(33) 98.01.078.495-County Treasury With-	
11	drawals (Ch. 784, Stats. 1995) (96-	
12	365-03).....	0
13	(34) 98.01.073.697-Comprehensive School	
14	Safety Plans (Ch. 736, Stats. 1997)	3,237,000
15	(98-TC-01, 99-TC-10).....	1,000
16	(35) 98.01.032.578-Immunization	
17	Records—Hepatitis B (Ch. 325, Stats.	
18	1978; Ch. 435, Stats. 1979 (98-TC-	4,336,000
19	05).....	1,000
20	(36) 98.01.119.280-School District Reorga-	
21	nization (Ch. 1192, Stats. 1980; Ch.	
22	1186, Stats. 1994) (98-TC-24).....	1,000
23	(37) 98.01.003.498-Charter Schools II (Ch.	
24	34, Stats. 1998; Ch. 673, Stats. 1998)	55,000
25	(99-TC-03).....	1,000
26	(38) 98.01.059.498-Criminal Background	
27	Checks II (Ch. 594, Stats. 1998; Ch.	
28	840, Stats. 1998, Ch. 78, Stats. 1999)	920,000
29	(00-TC-05).....	1,000
30	(39) 98.01.117.096-Grand Jury Proceedings	
31	(Ch. 1170, Stats. 1996, et al.) (98-TC-	
32	27).....	0
33	(40) 98.01.074.398-Pupil Promotion and	
34	Retention (Ch. 100, Stats. 1981, et al.)	15,203,000
35	(98-TC-19).....	1,000
36	(41) 98.01.033.198-Teacher Incentive Pro-	
37	gram (Ch. 331, Stats. 1998) (99-TC-	8,000
38	15).....	1,000

(42) 98.01.030.098-Differential Pay and
 Reemployment (Ch. 30, Stats. 1998) 24,000
 (99-TC-02)..... 1,000

Provisions:

1. If the amount appropriated in this item is less than the amount required to fund eligible claims contained in this item and in Item 6870-295-0001, the State Controller shall prorate payments proportionately between these items.
2. Notwithstanding any other provision of law, the funds allocated for PERS Death Benefits (Ch. 799, Stats. 1980) and PERS Unused Sick Leave Credit (Ch. 1398, Stats. 1974) are for transfer to the Public Employees' Retirement System for reimbursement of costs incurred pursuant to Chapter 1398 of the Statutes of 1974 or Chapter 799 of the Statutes of 1980.
3. Pursuant to Section 17581.5 of the Government Code, mandates included in the language of this provision are specifically identified by the Legislature for suspension during the 2006–07 fiscal year:
 - (25) School Bus Safety I and II (Ch. 624, Stats. 1992; Ch. 831, Stats. 1994; Ch. 739, Stats. 1997) (97-TC-22).
 - (32) 98.01.012.693-Law Enforcement Sexual Harassment Training (Ch. 126, Stats. 1993) (97-TC-07).
 - (33) 98.01.078.495-County Treasury Withdrawals (Ch. 784, Stats. 1995) (96-365-03).
 - (39) 98.01.117.096-Grand Jury Proceedings (Ch. 1170, Stats. 1996, et al.) (98-TC-27).
4. It is noted that additional funding is provided in Item 6110-485 in the event that funding provided in this item is insufficient to fully fund mandates claimed pursuant to this item.

SEC. 45. Item 6360-101-0001 of Section 2.00 of the Budget Act of 2006 is amended to read:

6360-101-0001—For local assistance, Commission on Teacher Credentialing (Proposition 98), Program 10, Standards for Preparation and Licensing of Teachers.....	41,114,000
	39,881,000

Schedule:

- | | |
|--|------------|
| (1) 10.20.001-Alternative Certification Program..... | 31,723,000 |
| (2) 10.20.002-California School Paraprofessional Teacher Training Program..... | 9,083,000 |
| | 7,850,000 |
| (3) 10.10.001-Teacher Misassignment Monitoring..... | 308,000 |

Provisions:

1. The funds appropriated in Schedule (1) are for school districts and county offices of education participating in the alternative certification programs established pursuant to Article 11 (commencing with Section 44380) of Chapter 2 of Part 25 of the Education Code. Of these funds, \$6,800,000 is available to increase intern grants for school districts and county offices that agree to enhance internship programs and address the distribution of beginning teachers pursuant to the enactment of legislation during the 2005–06 Regular Session.
2. The funds appropriated in Schedule (2) are for school districts and county offices of education participating in the California School Paraprofessional Teacher Training Program established pursuant to Article 12 (commencing with Section 44390) of Chapter 2 of Part 25 of the Education Code. Of these funds, ~~\$2,500,000~~ \$1,267,000 is available to increase the per participant rate and to address participant waiting lists pursuant to the enactment of legislation during the 2005–06 Regular Session.
3. The funds appropriated in Schedule (3) shall be used to reimburse county offices of education for costs associated with monitoring public schools and school districts for teacher misassignments. Funds shall be allocated on a basis determined by the commission. Districts and county offices receiving funds for cre-

dential monitoring will provide reasonable and necessary information to the commission as a condition of receiving these funds.

SEC. 46. Item 6440-001-0001 of Section 2.00 of the Budget Act of 2006 is amended to read:

6440-001-0001—For support of University of California.....	2,826,268,000
	2,835,604,000

Schedule:

(1) Support.....	2,742,772,000
	2,752,108,000
(2) Charles R. Drew Medical Program.....	8,738,000
(3) Acquired Immune Deficiency Syndrome (AIDS) Research.....	9,214,000
(4) Student Financial Aid.....	52,199,000
(5) Loan Repayments.....	5,105,000
(6) San Diego Supercomputer Center.....	3,240,000
(7) Subject Matter Projects.....	5,000,000

Provisions:

1. The appropriations made in this item are exempt from Section 31.00 of this act.
2. None of the funds appropriated in this item may be expended to initiate major capital outlay projects by contract without prior legislative approval, except for cogeneration and energy conservation projects. Exempted projects shall be reported in a manner consistent with the reporting procedures in subdivision (d) of Section 28.00 of this act.
3. The funds appropriated in Schedule (2) are for support of University of California program of clinical health sciences education, research, and public service, conducted in conjunction with the Charles R. Drew University of Medicine and Science, as provided for in Sections 1, 2, and 3 of Chapter 1140 of the Statutes of 1973. Of the funds appropriated, \$500,000 is contingent upon the provision by the University of California of an equal amount of matching funds from its own resources. The University of California shall ensure by adequate controls that

funds appropriated in Schedule (2) are expended solely for the support of the program identified in that schedule.

4. Of the funds appropriated in Schedule (1), \$2,629,957 shall be available for expenditure only for support of the Northern and Southern Occupational Health Centers as established by a contract entered into with the Department of Industrial Relations pursuant to Section 50.8 of the Labor Code.

5. The funds appropriated in Schedule (4) are for support of Program 45, Student Financial Aid, to provide financial aid to needy students attending the University of California, according to the nationally accepted needs analysis methodology.

6. Of the funds appropriated in Schedule (1), \$2,762,129 is for payment of energy service contracts in connection with the issuance of Public Works Board Energy Efficiency Revenue Bonds.

7. Of the funds appropriated in Schedule (5), \$2,700,000 is for repayment of \$25,000,000 borrowed by the University of California for deferred maintenance in the 1994–95 fiscal year. It is the intent of the Legislature to annually provide funds for that repayment purpose through the 2009–10 fiscal year.

8. Of the funds appropriated in Schedule (5), \$2,405,000 is for repayment of \$25,000,000 borrowed by the University of California for deferred maintenance in the 1995–96 fiscal year. It is the intent of the Legislature to annually provide funds for that repayment purpose through the 2010–11 fiscal year.

9. Of the funds appropriated in Schedule (1), \$1,609,000 is for the California State Summer School for Math and Science (COSMOS). The University of California shall report on the outcomes and effectiveness of COSMOS every five years, commencing April 1, 2011.

10. Of the funds appropriated in Schedule (1), \$770,000 is for the Welfare Policy Research Project, pursuant

1 to Article 9.7 (commencing with Section 11526) of
2 Chapter 2 of Part 3 of the Welfare and Institutions
3 Code.

4 11. Notwithstanding Section 3.00, for the term of the fi-
5 nancing, the University of California may use funds
6 appropriated in Schedule (1) for debt service and
7 costs associated with the purchase, renovation, and
8 financing of a facility for the UC-Mexico research
9 and academic programs in Mexico City. The amount
10 to be financed shall not exceed \$7,000,000. The uni-
11 versity shall report to the Legislature by March 15,
12 2007, on the (a) amount of funds spent to support the
13 UC-Mexico facility, including the specific use of
14 these funds, (b) amount of funds spent to support
15 UC-Mexico research and academic programs, and (c)
16 different types of research conducted and programs
17 operated at the UC-Mexico facility.

18 12. Of the funds provided in Schedule (1), \$1,125,000 is
19 appropriated for science and math resource centers to
20 implement the Science and Math Teacher Initiative.
21 The university shall report to the Legislature and the
22 Governor by April 1, 2007, on its progress toward in-
23 creasing the quality and supply of science and math
24 teachers.

25 13. Of the funds appropriated in Schedule (1),
26 ~~\$41,640,000~~ \$50,980,000 is to fund 5,149 additional
27 state-supported full-time equivalent (FTE) students
28 at the University of California, based on a marginal
29 General Fund cost of ~~\$8,087~~ \$9,901 per additional
30 student. ~~As a result, the~~ *This funding rate is based on*
31 *a new methodology for determining the marginal*
32 *cost of each additional state-supported student. This*
33 *methodology calculates a total marginal cost (includ-*
34 *ing operation and maintenance costs and faculty*
35 *costs based on the salaries of recently hired profes-*
36 *sors) and then subtracts from this cost the fee rev-*
37 *enue the university anticipates from each additional*
38 *student (after adjusting for financial aid), in order to*
39 *determine the amount of General Fund support need-*
40 *ed from the state. It is the intent of the Legislature*

that enrollment growth funding provided to the university in subsequent budgets be based on this new methodology. The Legislature expects the University of California to enroll a total of 193,455 state-supported FTE students during the 2006–07 academic year. This enrollment target does not include nonresident students and students enrolled in non-state-supported summer programs. The University of California shall report to the Legislature by March 15, 2007, on whether it has met the 2006–07 enrollment goal. For purposes of this provision, enrollment totals shall only include state-supported students. If the University of California does not meet its total state-supported enrollment goal by at least 257 (FTE) students, the Director of Finance shall revert to the General Fund by April 1, 2007, the total amount of enrollment funding associated with the total share of the enrollment goal that was not met.

14. Of the funds appropriated in Schedule (1), \$480,000 shall be used to support 32 full-time equivalent students in the Program in Medical Education for the Latino Community (PRIME-LC). The primary purpose of this program is to train physicians specifically to serve in underrepresented communities. The University of California shall report to the Legislature by March 15, 2007, on (a) its progress in implementing the PRIME-LC program and (b) the use of the total funds provided for this program from both state and nonstate resources.
15. Of the funds provided in Schedule (1), \$860,000 is appropriated to fund the full cost of a minimum of 65 full-time-equivalent students in entry-level clinical nursing programs and entry-level master's degree programs in nursing, and \$103,000 is to support an additional 20 master's degree level nursing students. This funding is intended as a supplement to marginal cost support provided within the University of California's enrollment growth funding, in recognition of the higher costs associated with master's degree level nursing programs. The university shall report to the

Legislature and the Governor by May 1, 2007, on its progress toward meeting this enrollment goal.

16. Of the funds appropriated in Schedule (1), \$19,300,000 is appropriated for student academic preparation and education programs (SAPEP) and is to be matched with \$12,000,000 from existing university resources, for a total of \$31,300,000 for these programs. The University of California shall provide a plan to the Department of Finance and the fiscal committees of each house of the Legislature for expenditure of both state and university funds for SAPEP by September 1, 2006. It is the intent of the Legislature that the university report on the use of state and university funds provided for these programs, including detailed information on the outcomes and effectiveness of academic preparation programs consistent with the accountability framework developed by the University of California in April 2005. It is the intent of the Legislature that the report be submitted to the fiscal committees of each house of the Legislature no later than April 1, 2007.
17. Of the funds appropriated in Schedule (1), \$475,000 shall be expended for the Center for Earthquake Engineering Research, contingent upon the center continuing to receive federal matching funds from the National Science Foundation.
18. Of the funds appropriated in Schedule (1), \$385,000 shall be expended for viticulture and enology research, contingent upon the receipt of an equal amount of private sector matching funds.
19. Of the funds appropriated in Schedule (1), \$18,000,000 is for substance abuse research at the Neurology Department of the University of California, San Francisco.
20. Of the funds appropriated in Schedule (1), \$770,000 shall be used for lupus research at the University of California, San Francisco.
21. Of the funds appropriated in Schedule (1), \$1,539,000 shall be used to expand spinal cord injury research.

22. Of the funds appropriated in Schedule (1), \$3,848,000 is to fund the Medical Investigation of Neurodevelopmental Disorders (MIND) Institute, including \$3,500,000 for a research grants program.
23. Of the funds appropriated in Schedule (1), \$6,000,000 shall be used to support research on labor and employment and labor education throughout the University of California system. Of these funds, 60 percent shall be for labor research, and 40 percent shall be for labor education.
24. Of the funds appropriated in Schedule (1), \$1,000,000 is to fund research at the Institute for Experimental Research on Obesity and Diabetes.
25. It is the intent of the Legislature that the University of California report by January 15, 2007, on salary increases provided to employees for the 2006–07 academic year by employment classification, such as represented staff, nonrepresented staff, academics, and senior management, and that this report include the degree to which salary increases were consistent with the plan presented in the university’s Board of Regents budget request in November 2005.
26. It is the intent of the Legislature that before changes are made to existing pension programs, the University of California report to the Legislature on how changes would affect employees by classification, such as represented staff, nonrepresented staff, academics, and senior management.
27. It is the intent of the Legislature that the University of California fundamentally reform its compensation policies and practices to more appropriately reflect its status as a public institution accountable to the State of California. It is the intent of the Legislature that the University of California submit an annual report by March 1 of each year through the 2010–11 fiscal year to the Joint Legislative Budget Committee, legislative fiscal subcommittees, and the Department of Finance on the university’s progress in reforming its compensation policies and practices consistent with the recommendations of the April 2006

1 report of the Task Force on UC Compensation, Ac-
2 countability, and Transparency, the Price Water-
3 house-Coopers report, and the Bureau of State Au-
4 dits' May 2, 2006, report. It is the intent of the Legis-
5 lature that the fiscal subcommittees of both houses of
6 the Legislature hold annual meetings to review this
7 report. It is the intent of the Legislature that the re-
8 port specifically include all of the following:

9 (a) Consistent with the task force's recommendation
10 on reporting, annual reports provided to the
11 Board of Regents on total compensation for
12 specified university senior officials, including
13 the president, provost, senior vice presidents,
14 vice presidents and vice provosts, associate and
15 assistant vice presidents, university auditor, uni-
16 versity controller, principal officers of the Board
17 of Regents, chancellors, vice chancellors, nation-
18 al laboratory directors and deputy directors,
19 medical center CEOs, professional school deans,
20 and the top five most highly compensated posi-
21 tions at the Office of the President and at each
22 campus, medical center, and Department of Ener-
23 gy Laboratory. Total compensation information
24 on employees not covered by this language is to
25 be made available to the Legislature upon re-
26 quest. In its annual report of total compensation
27 for senior officials, the university should use a
28 standard reporting template, such as the template
29 recommended in the April 2006 report of the
30 task force, that lists all elements of total compen-
31 sation, including base salary, benefits, and
32 perquisites, and all other forms of compensation
33 provided by the University of California that ac-
34 crue to the individual.

35 (b) Plans and actions taken by the University of Cal-
36 ifornia to reform compensation policies and
37 practices to ensure all of the following occurs:

38 (i) Clear and appropriate policies are in place
39 to define compensation.

- (ii) University compensation remains competitive.
- (iii) It is clear with whom the authority lies for making compensation decisions.
- (iv) Policies include specific guidance about when exceptions are appropriate, who may grant exceptions, and through which mechanisms exceptions may be granted, so that exceptions do not become the rule.
- (v) Conflicts among existing policies are eliminated.
- (vi) Mechanisms are in place to ensure compliance with newly reformed policies and to reliably impose consequences when policies are violated.
- (c) Plans and actions taken by the University of California to update its human resources information system to ensure that campuses and the Office of the President are entering and capturing data in an accurate and systematically compatible manner that permits disclosure of compensation information in a full and timely way.

SEC. 47. Item 6610-001-0001 of Section 2.00 of the Budget Act of 2006 is amended to read:

6610-001-0001—For support of the California State Univer-	
sity.....	2,704,147,000
	2,721,322,000
Schedule:	
(1) Support.....	2,904,933,000
	2,922,108,000
(3) Reimbursements.....	–200,786,000
Provisions:	
1. The appropriations made in this item are exempt from Section 31.00, except as otherwise provided by the applicable sections of the Government Code referred to in Section 31.00.	
2. Of the amount appropriated in this item, \$350,000 is for transfer to the Affordable Student Housing Re-	

1 volving Fund for the purpose of subsidizing interest
2 costs in connection with bond financing for construc-
3 tion of affordable student housing at the Fullerton
4 and Hayward campuses in accordance with Article 3
5 (commencing with Section 90085) of Chapter 8 of
6 Part 55 of the Education Code.

7 3. Of the amount appropriated in this item, \$1,878,000
8 is for repayment of the \$17,000,000 financed for the
9 California State University through a third party for
10 deferred maintenance projects in the 1994–95 fiscal
11 year. It is the intent of the Legislature to annually
12 provide funds for that repayment purpose through the
13 2009–10 fiscal year.

14 4. Of the amount appropriated in this item, \$2,309,000
15 is for repayment of the \$24,000,000 financed for the
16 California State University through a third party for
17 deferred maintenance projects in the 1995–96 fiscal
18 year. It is the intent of the Legislature to annually
19 provide funds for that repayment purpose through the
20 2010–11 fiscal year.

21 5. Of the amount appropriated in this item, \$33,785,000
22 is provided for student financial aid grants. These fi-
23 nancial aid funds shall be provided to needy students
24 according to the nationally accepted needs analysis
25 methodology.

26 6. Of the amount provided in Schedule (1), \$1,365,000
27 is appropriated to enhance the capacity of science
28 and math teacher credential programs to implement
29 the Science and Math Teacher Initiative. Of this
30 amount, \$652,000 is one-time. The university shall
31 report to the Legislature and the Governor by April
32 1, 2007, on its progress toward increasing the quality
33 and supply of science and math teachers.

34 7.5. Of the amount appropriated in Schedule (1),
35 ~~\$47,519,000~~ *\$61,340,000* is to fund ~~8,306~~ *8,490* addi-
36 tional state-supported full-time-equivalent students
37 (FTES) at the California State University (CSU),
38 based on a marginal General Fund cost of ~~\$5,597~~
39 *\$7,225* per additional student. ~~As a result, the~~ *This*
40 *funding rate is based on a new methodology for deter-*

mining the marginal cost of each additional state-supported student. This methodology calculates a total marginal cost (including operation and maintenance costs and faculty costs based on the salaries of recently hired professors) and then subtracts from this cost the fee revenue the university anticipates from each additional student (after adjusting for financial aid), in order to determine the amount of General Fund support needed from the state. It is the intent of the Legislature that enrollment growth funding provided to the university in subsequent budgets be based on this new methodology. The Legislature expects CSU to enroll a total of ~~324,825~~ 332,395 state-supported FTES during the 2006–07 academic year. This enrollment target does not include nonresident students and students enrolled in nonstate supported summer programs. The CSU shall provide a preliminary report to the Legislature by March 15, 2007, and a final report by May 1, 2007, on whether it has met the 2006–07 enrollment goal. For purposes of this provision, enrollment totals shall only include state-supported students. If CSU does not meet its total state-supported enrollment goal by at least ~~415~~ 425 FTES, the Director of Finance shall revert to the General Fund by May 15, 2007, the total amount of enrollment funding associated with the total share of the enrollment goal that was not met.

8. Of the amount appropriated in Schedule (1), \$560,000 is to support 280 full-time-equivalent students in entry-level master's degree programs in nursing, pursuant to Article 8 (commencing with Section 89270) of Chapter 2 of Part 55 of the Education Code. The funding is intended as a supplement to marginal cost support provided in the California State University's enrollment growth funding, in recognition of the higher costs associated with entry-level master's degree programs in nursing.
9. Of the amount provided in Schedule (1), \$1,720,000 is appropriated to fund the full cost of a minimum of 130 full-time equivalent (FTE) students in entry-lev-

1 el master's degree programs in nursing. The universi-
2 ty shall report to the Legislature and the Governor by
3 May 1, 2007, on its progress toward meeting this en-
4 rollment goal.

- 5 10. Of the amount provided in Schedule (1), \$52,000,000
6 is provided for student academic preparation and stu-
7 dent support services programs. The university shall
8 provide \$45,000,000 and the state shall provide
9 \$7,000,000 to support the Early Academic Assess-
10 ment Program, Campus-Based Outreach Programs,
11 and the Educational Opportunity Program. It is the
12 intent of the Legislature that the university report on
13 the outcomes and effectiveness of the Early Academ-
14 ic Assessment Program to the fiscal committees of
15 each house of the Legislature no later than March 15,
16 2007.

- 17 12. Of the amount provided in Schedule (1), \$371,000 is
18 appropriated to support the addition of 35 full-time-
19 equivalent students in baccalaureate degree programs
20 in nursing in the 2006–07 academic year. The fund-
21 ing shall be used to support the full state cost of serv-
22 ing these students, at a rate of \$10,588 per student.
23 On or before May 1, 2007, the California State Uni-
24 versity shall report to the Legislature the number of
25 additional full-time-equivalent students enrolled in
26 these programs in the 2006–07 academic year, com-
27 pared to the number enrolled in the 2005–06 academ-
28 ic year. In the event that the California State Universi-
29 ty enrolls fewer than the 35 additional students for
30 which funding is provided, the funding associated
31 with the enrollment shortfall shall revert to the Gener-
32 al Fund. The Director of Finance shall make that re-
33 version on or before May 15, 2007.

- 34 13. Of the amount provided in Schedule (1), \$2,000,000
35 is appropriated on a one-time basis for startup costs
36 associated with the expansion of nursing programs.
37 Specifically, the Legislature intends that these funds
38 be used to prepare for the enrollment in the 2007–08
39 academic year of 340 additional undergraduate full-
40 time-equivalent nursing students above enrollment

levels in the 2006–07 academic year. The Legislature intends that these additional nursing students be funded out of the California State University’s enrollment funding for the 2007–08 academic year, with additional funding to be provided to recognize the higher costs imposed by nursing students.

SEC. 48. Item 8885-295-0001 of Section 2.00 of the Budget Act of 2006 is amended to read:

8885-295-0001—For local assistance for reimbursement, in accordance with the provisions of Section 6 of Article XIII B of the California Constitution or Section 17561 of the Government Code, of the costs of any new program or increased level of service of an existing program mandated by statute or executive order, for disbursement by the State Controller for claims for costs incurred in the 2005–06 and 2006–07 fiscal-year years.....	106,880,000 232,480,000
--	----------------------------

Schedule:

- (0.5) For payment of the following mandate
- | | |
|---|------------|
| claims for the 2005–06 fiscal year..... | 90,280,000 |
|---|------------|
- (a) Crime Victim Rights (Ch. 411, Stats. 1995) (CSM-96-358-01)
 - (b) Threats Against Peace Officers (Ch. 1249, Stats. 1992, and Ch. 666, Stats. 1995) (CSM-96-365-02)
 - (c) Custody of Minors-Child Abduction and Recovery (Ch. 1399, Stats. 1976; Ch. 162, Stats. 1992; and Ch. 988, Stats. 1996) (CSM-4237)
 - (d) Stolen Vehicle Notification (Ch. 337, Stats. 1990) (CSM-4403)
 - (e) Absentee Ballots (Ch. 77, Stats. 1978) (CSM-3713)
 - (f) Permanent Absent Voters (Ch. 1422, Stats. 1982) (CSM-4358)
 - (g) Voter Registration Procedures (Ch. 704, Stats. 1975) (04-LM-04)
 - (h) Absentee Ballots-Tabulation by Precinct (Ch. 697, Stats. 1999) (00-TC-08)

- 1 (i) Brendon Maguire Act (Ch. 391, Stats. 1988)
- 2 (CSM-4357)
- 3 (j) Medi-Cal Beneficiary Death Notices (Chs. 102
- 4 and 1163, Stats. 1981) (CSM-4032)
- 5 (k) Pacific Beach Safety (Ch. 961, Stats. 1992)
- 6 (CSM-4432)
- 7 (l) Perinatal Services (Ch. 1603, Stats. 1990)
- 8 (CSM-4397)
- 9 (m) AIDS/Search Warrant (Ch. 1088, Stats. 1988)
- 10 (CSM-4392)
- 11 (n) Mentally Retarded Defendants Representation
- 12 (Ch. 1253, Stats. 1980) (04-LM-12)
- 13 (o) Judicial Proceedings (Ch. 644, Stats. 1980)
- 14 (CSM-4366)
- 15 (p) Conservatorship: Developmentally Disabled
- 16 Adults (Ch. 1304, Stats. 1980) (04-LM-13)
- 17 (q) Developmentally Disabled Attorneys' Services
- 18 (Ch. 694, Stats. 1975) (04-LM-03)
- 19 (r) Coroners Costs (Ch. 498, Stats. 1977) (04-LM-
- 20 07)
- 21 (s) Not Guilty by Reason of Insanity (Ch. 1114,
- 22 Stats. 1979) (CSM-2753)
- 23 (t) Mentally Disordered Offenders' Extended Com-
- 24 mitments Proceedings (Ch. 435, Stats. 1991)
- 25 (98-TC-09)
- 26 (u) Sexually Violent Predators (Chs. 762 and 763,
- 27 Stats. 1995) (CSM-4509)
- 28 (v) Mentally Disordered Sex Offenders' Recommit-
- 29 ments (Ch. 1036, Stats. 1978) (04-LM-09)
- 30 (w) Domestic Violence Treatment Services (Ch.
- 31 183, Stats. 1992) (CSM-96-281-01)
- 32 (x) Police Officer's Cancer Presumption (Ch. 1171,
- 33 Stats. 1989) (CSM-4416)
- 34 (y) Firefighter's Cancer Presumption (Ch. 1568,
- 35 Stats. 1982) (CSM-4081)
- 36 (z) Domestic Violence Arrest Policies (Ch. 246,
- 37 Stats. 1995) (CSM-96-362-02)
- 38 (aa) Animal Adoption (Ch. 752, Stats. 1998) (98-
- 39 TC-11)

- 1 (bb) Unitary Countywide Tax Rates (Ch. 921, Stats.
- 2 1987) (CSM-4355 and CSM-4317)
- 3 (cc) Senior Citizens Property Tax Deferral (Ch.
- 4 1242, Stats. 1977) (CSM-4359)
- 5 (dd) Allocation of Property Tax Revenues (Ch. 697,
- 6 Stats. 1992) (CSM-4448)
- 7 (ee) Photographic Record of Evidence (Ch. 875,
- 8 Stats. 1985) (98-TC-07)
- 9 (ff) Rape Victim Counseling (Ch. 999, Stats. 1991)
- 10 (CSM-4426)
- 11 (gg) Health Benefits for Survivors of Peace Officers
- 12 and Firefighters (Ch. 1120, Stats. 1996) (97-TC-
- 13 25)
- 14 (hh) Postmortem Examinations (Ch. 284, Stats.
- 15 2000) (01-TC-18)
- 16 (ii) False Reports of Police Misconduct (Ch. 590,
- 17 Stats. 1995) (00-TC-26)
- 18 (0.6) For payment of the mandate claims
- 19 for the 2005– 06 fiscal year for the
- 20 Peace Officers’ Procedural Bill of
- 21 Rights (Ch. 675, Stats. 1990) (CSM-
- 22 4499)..... 16,600,000
- 23 (1) For *payment of the following* mandate
- 24 ~~claims for the cost of mandates imple-~~
- 25 ~~mented in the 2006–07 fiscal year, in-~~
- 26 ~~cluding those listed for information~~
- 27 ~~purposes in the schedule below, to be~~
- 28 ~~funded in the 2007–08 fiscal year.....~~ 0
- 29 109,000,000
- 30 (a) Crime Victim Rights (Ch. 411, Stats. 1995)
- 31 (CSM-96-358-01)
- 32 (b) Threats Against Peace Officers (Ch. 1249, Stats.
- 33 1992 and Ch. 666, Stats. 1995) (CSM-96-365-
- 34 02)
- 35 (c) Custody of Minors-Child Abduction and Recov-
- 36 ery (Ch. 1399, Stats. 1976; Ch. 162, Stats. 1992;
- 37 and Ch. 988, Stats. 1996) (CSM-4237)
- 38 (d) Stolen Vehicle Notification (Ch. 337, Stats.
- 39 1990) (CSM-4403)

- 1 (e) Absentee Ballots (Ch. 77, Stats. 1978) (CSM-
2 3713)
- 3 (f) Permanent Absent Voters (Ch. 1422, Stats.
4 1982) (CSM-4358)
- 5 (g) Voter Registration Procedures (Ch. 704, Stats.
6 1975) (04-LM-04)
- 7 (h) Absentee Ballots-Tabulation by Precinct (Ch.
8 697, Stats. 1999) (00-TC-08)
- 9 (i) Brendon Maguire Act (Ch. 391, Stats. 1988)
10 (CSM-4357)
- 11 (j) Medi-Cal Beneficiary Death Notices (Chs. 102
12 and 1163, Stats. 1981) (CSM-4032)
- 13 (k) Pacific Beach Safety (Ch. 961, Stats. 1992)
14 (CSM-4432)
- 15 (l) Perinatal Services (Ch. 1603, Stats. 1990)(CSM-
16 4397)
- 17 (m) AIDS/Search Warrant (Ch. 1088, Stats. 1988)
18 (CSM-4392)
- 19 (n) Mentally Retarded Defendants Representation
20 (Ch. 1253, Stats. 1980) (04-LM-12)
- 21 (o) Judicial Proceedings (Ch. 644, Stats. 1980)
22 (CSM-4366)
- 23 (p) Conservatorship: Developmentally Disabled
24 Adults (Ch. 1304, Stats. 1980) (04-LM-13)
- 25 (q) Developmentally Disabled Attorneys' Services
26 (Ch. 694, Stats. 1975) (04-LM-03)
- 27 (r) Coroners Costs (Ch. 498, Stats. 1977) (04-LM-
28 07)
- 29 (s) Not Guilty by Reason of Insanity (Ch. 1114,
30 Stats. 1979) (CSM-2753)
- 31 (t) Mentally Disordered Offenders' Extended Com-
32 mitments Proceedings (Ch. 435, Stats. 1991)
33 (98-TC-09)
- 34 (u) Sexually Violent Predators (Chs. 762 and 763,
35 Stats. 1995) (CSM-4509)
- 36 (v) Mentally Disordered Sex Offenders' Recommit-
37 ments (Ch. 1036, Stats. 1978) (04-LM-09)
- 38 (w) Domestic Violence Treatment Services (Ch.
39 183, Stats. 1992) (CSM-96-281-01)

- (x) Police Officer's Cancer Presumption (Ch. 1171, Stats. 1989) (CSM-4416)
 - (y) Firefighter's Cancer Presumption (Ch. 1568, Stats. 1982) (CSM-4081)
 - (z) Domestic Violence Arrest Policies (Ch. 246, Stats. 1995) (CSM-96-362-02)
 - (aa) Animal Adoption (Ch. 752, Stats. 1998) (98-TC-11)
 - (bb) Unitary Countywide Tax Rates (Ch. 921, Stats. 1987) (CSM-4355 and CSM-4317)
 - (cc) Senior Citizens Property Tax Deferral (Ch. 1242, Stats. 1977) (CSM-4359)
 - (dd) Allocation of Property Tax Revenues (Ch. 697, Stats. 1992) (CSM-4448)
 - (ee) Photographic Record of Evidence (Ch. 875, Stats. 1985) (98-TC-07)
 - (ff) Rape Victim Counseling (Ch. 999, Stats. 1991) (CSM-4426)
 - (gg) Health Benefits for Survivors of Peace Officers and Firefighters (Ch. 1120, Stats. 1996) (97-TC-25)
 - (hh) Postmortem Examinations (Ch. 284, Stats. 2000) (01-TC-18)
 - (ii) False Reports of Police Misconduct (Ch. 590, Stats. 1995) (00-TC-26)
- (2) *For payment of the mandate claims for the 2006–07 fiscal year for the Peace Officers' Procedural Bill of Rights (Ch. 675, Stats. 1990) (CSM-4499).....* 16,600,000
- (3) Pursuant to the provisions of Section 17581 of the Government Code, the mandates identified in the following schedule are specifically identified by the Legislature for suspension during the 2006–07 fiscal year..... 0
- (a) Grand Jury Proceedings (Ch. 1170, Stats. 1996) (98-TC-27)
 - (b) Sex Crime Confidentiality (Ch. 502, Stats. 1992, Ch. 36, Stats. 1994, 1st Ex. Sess.) (98-TC-21)

- 1 (c) Deaf Teletype Equipment (Ch. 1032, Stats.
- 2 1980) (04-LM-11)
- 3 (d) Sex Offenders: Disclosure by Law Enforcement
- 4 Officers (Chs. 908 and 909, Stats. 1996) (97-
- 5 TC-15)
- 6 (e) Missing Persons Report (Ch. 1456, Stats. 1988,
- 7 and Ch. 59, Stats. 1993) (CSM-4255, CSM-
- 8 4484, and CSM-4368)
- 9 (f) Handicapped Voter Access Information (Ch.
- 10 494, Stats. 1979) (CSM-4363)
- 11 (g) Substandard Housing (Ch. 238, Stats. 1974)
- 12 (CSM-4303)
- 13 (h) Adult Felony Restitution (Ch. 1123, Stats. 1977)
- 14 (04-LM-08)
- 15 (i) Very High Fire Hazard Severity Zones (Ch.
- 16 1188, Stats. 1992) (97-TC-13)
- 17 (j) Local Coastal Plans (Ch. 1330, Stats. 1976)
- 18 (CSM-4431)
- 19 (k) SIDS Training for Firefighters (Ch. 1111, Stats.
- 20 1989) (CSM-4412)
- 21 (l) SIDS Contacts by Local Health Officers (Ch.
- 22 268, Stats. 1991) (CSM-4424)
- 23 (m) SIDS Autopsies (Ch. 955, Stats. 1989) (CSM-
- 24 4393)
- 25 (n) Inmate AIDS Testing (Ch. 1597, Stats. 1988)
- 26 (CSM-4369)
- 27 (o) SIDS Notices (Ch. 453, Stats. 1974) (04-LM-01)
- 28 (p) Guardianship/Conservatorship Filings (Ch.
- 29 1357, Stats. 1976) (04-LM-15)
- 30 (q) Victims' Statements-Minors (Ch. 332, Stats.
- 31 1981) (04-LM-14)
- 32 (r) Extended Commitment, Youth Authority (Ch.
- 33 267, Stats. 1998) (98-TC-13)
- 34 (s) Prisoner Parental Rights (Ch. 820, Stats. 1991)
- 35 (CSM-4427)
- 36 (t) Structural and wildland firefighter safety cloth-
- 37 ing and equipment (8 Cal. Code Regs. 3401 to
- 38 3410, incl.) (CSM-4261- 4281)
- 39 (u) Personal Alarm Devices (8 Cal. Code Regs.
- 40 3401(c)) (CSM-4087)

- (v) Law Enforcement Sexual Harassment Training (Ch. 126, Stats. 1993) (97-TC-07)
- (w) Elder Abuse, Law Enforcement Training (Ch. 444, Stats. 1997) (98-TC-12)
- (x) Redevelopment Agencies Tax Disbursement Reporting (Ch. 39, Stats. 1998) (99-TC-06)
- (y) Mandate Reimbursement Process (Ch. 486, Stats. 1975) (CSM- 4204, CSM-4485)
- (z) Filipino Employee Surveys (Ch. 845, Stats. 1978) (CSM-2142)
- (aa) Domestic Violence Information (Ch. 1609, Stats. 1984) (CSM-4222)
- (bb) Pocket Masks (Ch. 1334, Stats. 1987) (CSM-4291)

Provisions:

- ~~1. The mandate identified in the following schedule is specifically identified by the Legislature for deferral of payment for costs incurred during the 2006-07 fiscal year:~~
- ~~(a) Peace Officers' Procedural Bill of Rights POBOR (Ch. 675, Stats. 1990) (CSM-4499)~~
- 1. *If the amount in Schedule (0.5) is insufficient to pay claims for costs incurred to carry out the cited state mandates in the 2005-06 fiscal year, the Controller shall notify the Director of Finance of the amount of the deficiency and, with the approval of the director, shall augment the amount in Schedule (0.5) from the unencumbered balance of Schedule (1) to pay those claims. If the Controller determines that excess funds will remain available from Schedule (0.5) after all claims for the 2005-06 fiscal year are paid, then the Controller, with the approval of the director, may augment the amount in Schedule (1) from the unencumbered balance of the amount provided in Schedule (0.5). The director shall notify the Chairperson of the Joint Legislative Budget Committee and the chairpersons of the fiscal committees in both houses of the Legislature prior to authorizing any augmentation pursuant to this provision.*

2. Allocations of funds provided in this item to the appropriate local entities shall be made by the Controller in accordance with the provisions of each statute or executive order that mandates the reimbursement of the costs, and shall be audited to verify the actual amount of the mandated costs in accordance with subdivision (d) of Section 17561 of the Government Code. Audit adjustments to prior year claims may be paid from this item. The funds appropriated in this item shall be allocated only for the payment of claims as required by Chapter 4 (commencing with Section 17550) of Part 7 of Division 4 of Title 2 of the Government Code, and that payment shall be made pursuant to Article 5 (commencing with Section 17615) of that chapter. Notwithstanding any other provision of law, interest shall be paid from funds appropriated in this item only to the extent, and in the amount, authorized by Section 17561.5 of the Government Code.
3. The State Controller shall offset payments made from the appropriation in this item and in Item 8885-299-0001 to recoup the amount of any unallowable mandate claim costs determined by desk or field audits of such claims. The estimated amount of General Fund savings from prior year adjustments due to these offsets is at least \$44,000,000.

SEC. 49. Item 8885-299-0001 of Section 2.00 of the Budget Act of 2006 is amended to read:

<p>8885-299-0001—For local assistance for reimbursement, in accordance with the provisions of Section 6 of Article XIII B of the California Constitution or Section 17561 of the Government Code, of the costs of any new program or increased level of service of an existing program mandated by statute or executive order, for disbursement by the State Controller.....</p>	<p>83,000,000 169,900,000</p>
--	-----------------------------------

Schedule:

- (1) For *the first year of payment of man-*
date claims filed prior to July 1,
2004..... 83,000,000
- (2) For *the second year of payment of man-*
date claims filed prior to July 1,
2004..... 86,900,000

Provisions:

1. Allocations of funds provided in this item to the appropriate local entities shall be made by the Controller in accordance with the provisions of each statute or executive order that mandates the reimbursement of the costs, and shall be audited to verify the actual amount of the mandated costs in accordance with subdivision (d) of Section 17561 of the Government Code. Audit adjustments to prior year claims may be paid from this item. The funds appropriated in this item shall be allocated only for the payment of claims as required by Chapter 4 (commencing with Section 17550) of Part 7 of Division 4 of Title 2 of the Government Code, that shall be made pursuant to Article 5 (commencing with Section 17615) of that chapter. Notwithstanding any other provision of law, interest shall be paid from funds appropriated in this item only to the extent, and in the amount, authorized by Section 17561.5 of the Government Code.

SEC. 50. Item 8955-001-0083 of Section 2.00 of the Budget Act of 2006 is amended to read:

8955-001-0083—For support of Department of Veterans Affairs, for payment to Item 8955-001-0001, payable from the Veterans Service Office Fund..... 50,000

Provisions:

- ~~1. Notwithstanding Section 699.5 of the Military and Veterans Code, the Department of Veterans Affairs is authorized to contract, through a competitive process, with a veteran service organization to provide outreach services.~~

SEC. 51. Item 9210-101-0001 of Section 2.00 of the Budget Act of 2006 is amended to read:

9210-101-0001—For local assistance, Local Government Financing.....	200,000,000
	238,000,000

Provisions:

1. For allocation by the Controller to local jurisdictions for public safety as determined by the Director of Finance pursuant to Chapter 6.7 (commencing with Section 30061) of Division 3 of Title 3 of the Government Code.
2. Notwithstanding any other provision of law, the funds appropriated in this item shall be available for expenditure until June 30, 2008. These funds shall be used to supplement and not supplant existing services.

SEC. 52. Item 9210-105-0001 is added to Section 2.00 of the Budget Act of 2006, to read:

9210-105-0001—For local assistance, Local Government Financing	35,000,000
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Provisions:

1. For reimbursement of actual costs incurred by cities and other entities for payment of booking or processing fees charged pursuant to subdivision (a) of Section 29550 of the Government Code during the 2005–06 fiscal year. Any funds not disbursed shall revert to the General Fund no later than June 30, 2007.
2. No later than December 1, 2006, the Controller shall allocate the funds appropriated in this item to all eligible cities and other entities, and shall certify to the Director of Finance the actual amount of money allocated for the payment of booking and processing fees, as described in Section 29550 of the Government Code. Any city or other entity that applies for

funding pursuant to this item shall comply with all requests made by the Controller.

3. *The Controller shall reduce payments proportionally if the amount appropriated in this item is not sufficient to pay all valid claims in full.*

SEC. 53. Item 9619-399-0001 of Section 2.00 of the Budget Act of 2006 is repealed.

~~9619-399-0001—For transfer to the Deficit Reduction Reserve Account..... 1,000,000,000~~

Provisions:

- ~~1. The funds in the Deficit Reduction Reserve Account shall be used for payment of General Fund debt related to obligations due in the 2007–08 fiscal year.~~

SEC. 54. Section 35.50 of the Budget Act of 2006 is amended to read:

SEC. 35.50. (a) For purposes of paragraph (1) of subdivision (f) of Section 10, and subdivision (f) of Section 12, of Article IV of the California Constitution, “General Fund revenues” means the total resources available to the General Fund for a fiscal year.

(b) For purposes of subdivision (f) of Section 12 of Article IV of the California Constitution, the estimate of General Fund revenues for the 2006–07 fiscal year pursuant to this act, as passed by the Legislature, is—\$103,114,800,000 \$103,412,200,000.

(c) For purposes of subdivision (b) of Section 20 of Article XVI of the California Constitution, General Fund revenues shall be defined as revenues and transfers, excluding any proceeds from Economic Recovery Bonds, as estimated in the enacted State Budget.

SEC. 55. Sections 1 to 54, inclusive, of this act shall become operative only if the Budget Act of 2006, Assembly Bill 1801, as proposed by Conference Report No. 1 on June 12, 2006, is enacted and becomes effective on or before January 1, 2007.

SEC. 56. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

1 *This act makes appropriations for the support of the*
2 *government of the State of California and for several public*
3 *purposes for the 2006–07 fiscal year. It is imperative that these*
4 *appropriations be made effective as soon as possible. It is*
5 *therefore necessary that this act go into immediate effect.*

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